



ANNUAL REPORT

For the year ended 30 June 2008



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FOR THE YEAR ENDED 30 JUNE 2008

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CENTRAL OTAGO DISTRICT

General Information

Central Otago District Council is a territorial local authority created by statute in New Zealand.

Population:		<u>2006 Census</u>	<u>2001 Census</u>
	Resident population	16,647	14,466
	Visitors	753	408

Area: 9,959km²

Wards: Vincent (comprising Alexandra, Earnscliffe and Manuherikia), Cromwell, Maniototo and Roxburgh

Main Towns: Alexandra, Clyde, Cromwell, Ranfurly and Roxburgh.

Capital Value: \$6,277,281,500 (gross, as at 30 June 2008)

Administration

Main Office: 1 Dunorling Street
Alexandra

Service Centres: 42 The Mall, Cromwell
120 Scotland Street, Roxburgh
15 Pery Street, Ranfurly

Executive Staff:	Chief Executive Officer:	John G Cooney
	Corporate Services Manager:	Heather Kinsey
	Manager, Planning and Environment:	Louise A van der Voort
	Manager, Assets and Contracts:	Murray F Washington
	District Development Manager:	Anne E Pullar

Auditor: Audit New Zealand
Christchurch
on behalf of:
The Auditor General

Privacy Officer: Corporate Services Manager

CENTRAL OTAGO DISTRICT COUNCIL FINANCIAL STATISTICS

	Actual 2008	Estimate 2008	Actual 2007
Proportion of rates to total income	45%	56%	50%
Percentage of total assets owned by Council (Public equity/current assets + non current assets)	99%	99%	99%
Working Capital ratio (current assets:current liabilities)	3.1:1	2.6:1	3.0:1
Rate arrears (as a percentage of annual rates struck)	3.1%	n/a	3.1%

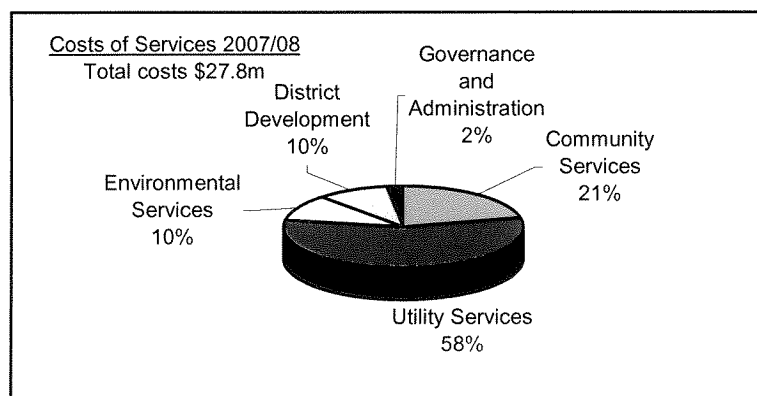
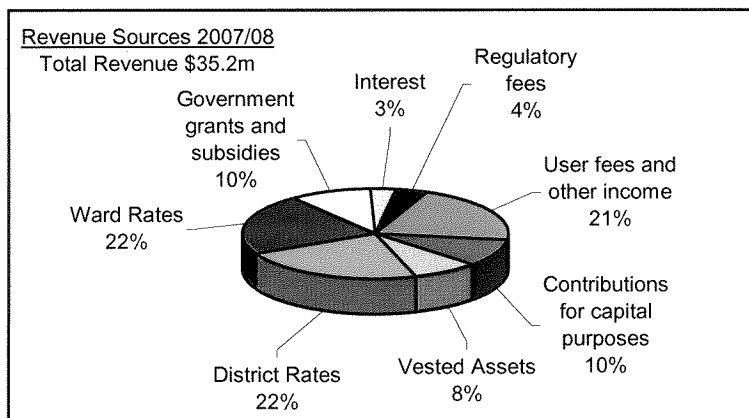
[Note: Actual 2006 figures may vary from the 2006 Annual report as a result of adopting NZ IFRS accounting standards.]

COUNCIL FIVE YEAR FINANCIAL PERFORMANCE SUMMARY

	2008 \$000	2007 \$000	2006 \$000	2005 \$000	2004 \$000
Rates	15,798	14,148	11,561	11,273	10,696
Net surplus (deficit)*	7,468	3,644	2,903	4,839	1,988
Working capital (net)	9,307	8,670	11,899	12,673	8,268
Public debt	-	-	56	70	656
Total assets	504,394	493,716	407,379	336,464	331,496

*Note: includes vested assets 2,746 1,885 2,801 3,418 34

*Note:2004-2005 are not fully comparable to 2006-2008 as a result of the adoption of NZ IFRS accounting standards.



AUDIT REPORT

**TO THE READERS OF
CENTRAL OTAGO DISTRICT COUNCIL'S
FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION
FOR THE YEAR ENDED 30 June 2008**

The Auditor-General is the auditor of Central Otago District Council (the District Council). The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand, to carry out an audit on his behalf. The audit covers the District Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the District Council for the year ended 30 June 2008, including the financial statements.

Unqualified Opinion

In our opinion:

- The financial statements of the District Council on pages 6 to 77:
 - comply with generally accepted accounting practice in New Zealand; and
 - - fairly reflect :
 - the District Council's financial position as at 30 June 2008; and
 - the results of its operations and cash flows for the year ended on that date.
- The service provision information of the District Council on pages 38 to 73 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 29 October 2008, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements, performance information and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements, performance information and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements, performance information and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, performance information and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements, performance information and the other requirements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the District Council as at 30 June 2008. They must also fairly reflect the results of its operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for meeting the other requirements of Schedule 10 and including that information in the annual report. The Council's responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements, performance information and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.


Other than the audit and in conducting the audit of Long Term Council Community Plan, we have no relationship with or interests in the District Council.



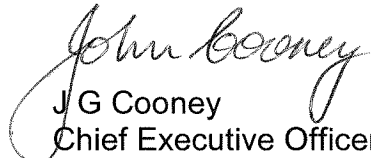
John Mackey
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Statement of Compliance

Council and management of the Central Otago District Council confirm that all statutory requirements of the Local Government Act 2002 in relation to the annual report have been complied with.



M Macpherson
Mayor
29 October 2008



J G Cooney
Chief Executive Officer
29 October 2008

CENTRAL OTAGO DISTRICT COUNCIL

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$000's		Note	Actual 2007/08 000's	Estimate 2007/08 \$ 000's
REVENUE				
14,148	Rates		15,798	15,655
3,845	Government grants and subsidies		3,401	2,921
1,056	Interest		1,174	560
-	Dividends		5	4
1,362	Regulatory fees		1,405	1,185
3,500	User fees and other income		3,867	3,128
1,710	Contributions for capital purposes		3,376	3,340
874	Profit on Sale of Assets		3,460	-
1,885	Vested Assets	1	2,746	830
115	Valuation gains	2	46	-
28,495	Total Revenue		35,278	27,623
EXPENDITURE				
4,422	Employee benefit expenses	3	4,900	4,447
6,721	Depreciation and amortisation	11,12	7,492	7,329
-	Finance costs		-	194
78	Valuation losses	2	38	-
13,630	Other expenses	4	15,380	12,706
24,851	Total Expenditure		27,810	24,676
3,644	NET SURPLUS (DEFICIT)		7,468	2,947

The accompanying Notes and Policies form part of and are to be read in conjunction with these statements.

CENTRAL OTAGO DISTRICT COUNCIL

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$000's		Note	Actual 2007/08 \$000's	Estimate 2007/08 \$000's
PUBLIC EQUITY				
443,292	Opening balance 1 July		489,196	445,959
3,644	Net surplus (deficit)		7,468	2,947
-	Transfer to/from reserves		-	(3)
11	Revaluation of share equities		9	-
40,452	Revaluation of roads		-	-
274	Revaluation of bridges		-	-
1,108	Revaluation of water services		2,435	-
(624)	Revaluation of wastewater services		2,571	-
1,059	Revaluation of stormwater services		(1,897)	-
(20)	Revaluation of investment bonds		(18)	-
<u>45,904</u>	Total recognised revenue and expenses		<u>10,568</u>	<u>2,944</u>
<u>489,196</u>	Closing balance 30 June	5	<u>499,764</u>	<u>448,903</u>

The accompanying Notes and Policies form part of and are to read in conjunction with these statements.

CENTRAL OTAGO DISTRICT COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2008

Actual 2006/07 \$000's		Note	Actual 2007/08 \$000's	Estimate 2007/08 \$000's
	PUBLIC EQUITY			
320,274	Ratepayers Equity	5	327,737	321,643
168,875	Revaluation Reserves	5	171,975	127,211
47	Trust and Bequest Funds	5	52	49
<u>489,196</u>			<u>499,764</u>	<u>448,903</u>
	REPRESENTED BY:			
	CURRENT ASSETS			
2,166	Cash and Cash Equivalents	6	4,162	94
8,070	Available for Sale Financial Assets	9	6,893	4,479
2,706	Debtors and Other Receivables	7	2,749	2,268
118	Inventories		23	2,038
<u>13,060</u>			<u>13,827</u>	<u>8,879</u>
	LESS CURRENT LIABILITIES			
251	Agency and Deposits		151	211
4,139	Creditors and Other Payables	8	4,369	3,168
<u>4,390</u>			<u>4,520</u>	<u>3,379</u>
<u>8,670</u>	WORKING CAPITAL		<u>9,307</u>	<u>5,500</u>
	NON-CURRENT ASSETS			
2,094	Available for Sale Financial Assets	9	2,099	2,421
924	Loans and Receivables	10	912	834
474,905	Property, Plant and Equipment	11	484,827	437,606
282	Intangible Assets	12	273	245
791	Forestry Assets	13	796	926
1,660	Investment Property	14	1,660	1,481
<u>480,656</u>			<u>490,567</u>	<u>443,513</u>
	LESS NON-CURRENT LIABILITIES			
130	Landfill Aftercare Provision	16	110	110
<u>130</u>			<u>110</u>	<u>110</u>
<u>480,526</u>			<u>490,457</u>	<u>443,403</u>
<u>489,196</u>	NET ASSETS		<u>499,764</u>	<u>448,903</u>

The accompanying Notes and Policies form part of and are to be read in conjunction with these statements.

CENTRAL OTAGO DISTRICT COUNCIL

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$000's		Actual 2007/08 \$000's	Estimate 2007/08 \$000's
	Cash flows from operating activities		
	Cash was provided from:		
24,628	Receipts from rates, fees and other revenue	28,280	26,629
1,049	Interest received	1,194	560
-	Dividends received	5	4
104	Net GST		-
25,781		29,479	27,193
	Cash was applied to:		
18,207	Payments to suppliers and employees	20,811	17,767
-	Net GST	192	-
18,207		21,003	17,767
7,574	Net cash inflow (outflow) from operating activities (Note 6)	8,476	9,426
	Cash flows from investing activities		
	Cash was provided from:		
1,506	Withdrawal of investments	1,163	111
962	Sale of property, plant and equipment	3,499	2,518
-	Repayment of loans and receivables	24	-
2,468		4,686	2,629
	Cash was applied to:		
9,496	Purchase of property, plant and equipment	11,070	15,428
101	Purchase of intangibles	88	-
-	Purchase of forestry	8	-
90	Investment in loans and receivables	-	-
9,687		11,166	15,428
(7,219)	Net cash inflow (outflow) from investing activities	(6,480)	(12,799)
	Cash flows from financing activities		
	Cash was provided from:		
-	Loans raised	0	-
	Cash was applied to:		
-	Loans repaid	0	-
-	Net cash inflow (outflow) from financing activities	0	0
355	Net increase (decrease) in cash and cash equivalents held	1,996	(3,373)
1,811	Plus cash and cash equivalents at start of year (1 July)	2,166	7,946
2,166	Balance of cash and cash equivalents at end of year (30 June)	4,162	* 4,573

* comprising: cash and cash equivalent	94
available for sale financial assets	4,479
	4,573

The Goods and Services Tax (GST) (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying Notes and Policies form part of and are to read in conjunction with these statements.

CENTRAL OTAGO DISTRICT COUNCIL

STATEMENT OF CAPITAL EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
	ACTIVITY		
	Community Services		
15	Cemeteries	27	66
545	Community buildings	91	339
28	Elderly persons housing	91	62
73	Emergency management	80	59
-	Clutha management	-	33
268	Libraries	125	146
292	Parks and reserves	311	451
628	Swim centres	3,109	3,404
	District Development		
-	Airports	6	-
1,173	Commercial and other property	1,512	2,333
8	Community	31	28
1	Economic development	2	-
47	Tourism - Visitor information centres	5	-
	Utility Services		
4,887	District roading	3,303	3,161
331	Footpaths, carparks and street cleaning	455	897
-	Public toilets	-	160
-	Stormwater	193	-
834	Water	1,662	2,183
612	Wastewater	944	1,730
34	Waste management	20	6
34	Utilities management	9	50
38	Environmental Services	74	76
	Governance and Administration		
-	Democracy	2	36
317	Administration	466	460
10,165	TOTAL CAPITAL EXPENDITURE	12,518	15,680

Note: Vested assets are not included in this Statement

CENTRAL OTAGO DISTRICT COUNCIL

STATEMENT OF COMMITMENTS FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's
	Capital Expenditure:- (approved and contracted)	
12	Building alterations	16
2,831	Cromwell pool	-
517	Roading and Bridging Contracts	-
192	Water Supply	10
127	Wastewater	-
<u>3,679</u>		<u>26</u>
	Operational Expenditure:-	
	Physical Services Contracts-	
1,350	- 12 months	1,976
-	- 1-2 years	3,953
-	- 2-5 years	3,953
2,551	Roading Maintenance - 12 months	5,302
2,551	- 1-2 years	-
	Engineering Services Contracts	
564	- 12 months	270
	Parks Maintenance Contracts	
636	- 12 months	713
	Buildings Cleaning Contract	
111	- 12 months	-
	Waste Management [see note under]	
1,111	- 12 months	943
3,678	- 2-5 years	3,246
13,798	- 6-24 years	12,987
	Non-cancellable operating leases	
23	- 12 months	9
<u>2</u>	- 1-2 years	<u>15</u>
<u>26,375</u>		<u>33,367</u>

The commitment for Waste Management operation is based on the 1999/00 Annual Plan, extended out for the remainder of the 30 year period of the agreement with Queenstown Lakes District Council. The agreement is based on volumes transferred and disposed of at the landfill. The Council has adopted a Waste Management Strategy, which has as a goal the reduction of waste being disposed of at the landfill. The achievement of this goal will result in lowered tonnages of waste at the landfill, which will reduce the commitment. This reduction is not quantifiable.

CENTRAL OTAGO DISTRICT COUNCIL STATEMENT OF ACCOUNTING POLICIES

1. Reporting entity

The Central Otago District Council (the Council) is a territorial local authority governed by the Local Government Act 2002, and is a public benefit entity within the definition of International Financial Reporting Standard NZ IAS 1. Its primary objective is to provide goods or services for the community or social benefit rather than making a financial return.

The Annual Report comprises the activities of the Council. The Council does not have a significant interest in any other entities.

The financial statements of the Council are for the year ended 30 June 2008. The financial statements were authorised for issue by Council on 29 October 2008.

2. Basis of financial statement preparation

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements are prepared under the historical cost convention, as modified by the revaluation of:

- available-for-sale financial assets,
- forestry assets,
- certain classes of property, plant and equipment,
- investment property.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

3. Joint ventures

A joint venture is a contractual arrangement whereby two parties undertake an economic activity that is subject to joint control. For jointly controlled operations Council recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture, Council currently has jointly controlled operations with Queenstown Lakes District Council in respect to forestry.

4. Revenue

(i) Rates

Rates are set annually by resolution of Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

(ii) Goods sold and services rendered

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

(iii) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(iv) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

(v) Government grants

Grants from the government are recognised at their fair value when the grant has been received, and Council has complied with all attached conditions.

(vi) Dividend income

Dividends are recognised when the right to receive payment has been established.

(vii) Water billing revenue

Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

(viii) Vested Assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as income. Vested assets are recognised at the point when Council has issued the certificate prescribed under the Resource Management Act 1991 S224(c), relating to the respective subdivisions.

(ix) Development contributions

Development and financial contributions revenue is recognised at the point where Council has issued an invoice in respect of the development demand notice.

Development contributions are classified as part of "Contributions for capital purposes".

5. Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Payments made under operating leases are recognised as an expense on a straight-line basis over the term of the lease.

6. Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Council's decision.

7. Equity

Equity is the community's interest in Council, and is measured as the difference between total assets and total liabilities. Public equity is disaggregated and classified to the extent that the use of trust funds is legally restricted, and to reflect unrealised revaluations.

8. Restricted and Council created reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Restricted reserves are those subject to specific conditions accepted as binding by Council, and which may not be revised by Council without reference to the Courts or a third party. Transfers from these reserves may be made for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves created by Council decision. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at Council's discretion.

9. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less.

10. Debtors and other receivables

Debtors and other receivables are stated at their cost less any provision for impairment (see Impairment policy 18).

11. Inventories

Land being developed for resale

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

12. Financial Assets

Council classifies its financial assets as available-for-sale financial assets, and loans and receivables.

(i) Available for sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Other financial instruments held by Council are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss flowing through the equity statement.

Financial instruments classified as available for sale investments are recognised / derecognised by Council on the date it commits to purchase / sell the investments.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets. They are measured at initial recognition at fair value, and subsequently carried at amortised cost using the effective interest method, subject to a test for impairment. Gains or losses when the asset is impaired or derecognised are recognised in the Statement of Financial Performance.

Loans, including loans to community organisations made by Council at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and

present value of expected future cash flows of the loan is recognised in the statement of financial performance.

13. Property, plant and equipment

The following infrastructural assets are shown at fair value, based on annual valuations by external independent valuers.

- Stormwater
- Water
- Wastewater

Revaluations of roads are completed on a periodic basis by external independent valuers.

Revaluations will be undertaken by independent valuers, suitably qualified in the category and location of the assets. The valuation process shall include verification of asset registers, application of rates representing current replacement cost or market value (if any), asset optimisation and adjustments for asset condition and performance.

Valuations are performed with sufficient regularity to ensure revalued assets are carried at a value that is not materially different from fair value.

Where Council has elected to account for revaluations of property, plant and equipment on a class of asset basis, increases in the carrying amounts arising on revaluation of a class of assets are credited directly to equity under the heading "Revaluation Reserve". However, the net revaluation increase is recognised in profit or loss to the extent it reverses a net revaluation decrease of the same class of assets previously recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of financial performance during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives.

Assets to be depreciated include:

Operational Assets:

Buildings	50 yrs
Office equipment, furniture and fittings	3-10 yrs
Motor vehicles and plant	4-12 yrs
Library books	10 yrs
Recreation equipment	2-25 yrs

Infrastructure Assets:

Bridges	30-125 yrs
Footpaths and cycle ways	50-100 yrs
Kerb and channel	70-100 yrs
Roads – sealed	3-70 yrs
Roads – unsealed	8-17 yrs
Roads – land and formation	Not depreciated

Sewerage plant and equipment	30-35 yrs
Sewerage reticulation networks	60-70 yrs
Stormwater networks	70 yrs
Water plant and equipment	30-35 yrs
Water reticulation networks	60-100 yrs

Restricted Assets are included in the asset register in the same categories as other assets of a similar nature.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of financial performance. When revalued assets are sold, the amounts included in other reserves in respect of those assets are transferred to retained earnings.

Assets under construction are not depreciated. The total cost of the project is transferred to the relevant asset when it is available for use, and then depreciated.

14. Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. Further, the liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position. Those assets and liabilities shall not be offset and presented as a single amount.

15. Intangible assets

(i) Computer software

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 years using the straight line method.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

(ii) Other intangible assets

Other intangible assets that are acquired by Council are stated at cost less accumulated amortisation (see below) and impairment losses (see Impairment policy 18).

Easements are not amortised. Branding assets are amortised over their estimated useful lives of 10 years using the straight line method.

(iii) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates, and it meets the

definition of, and recognition criteria for, an intangible asset. All other expenditure is expensed as incurred.

(iv) Amortisation

An intangible asset with a finite useful life is amortised over the period of that life. The asset is reviewed annually for indicators of impairment, and tested for impairment if these indicators exist. The asset is carried at cost less accumulated amortisation and accumulated impairment losses.

An intangible asset with an indefinite useful life is not amortised, but is tested for impairment annually, and is carried at cost less accumulated impairment losses.

16. Forestry assets

Forestry assets are predominantly standing trees which are managed on a sustainable yield basis. These are shown in the statement of financial position at fair value less estimated point of sale costs at harvest. The costs to establish and maintain the forest assets are included in the statement of financial performance together with the change in fair value for each accounting period.

The valuation of forests is based on discounted cash flow models where the fair value is calculated using cash flows from continued operations; that is, based on sustainable forest management plans taking into account growth potential. The yearly harvest from forecast tree growth is multiplied by expected wood prices and the costs associated with forest management, harvesting and distribution are then deducted to derive annual cash flows.

The fair value of the forest assets is measured as the present value of cash flows from one growth cycle based on the productive forest land, taking into consideration environmental, operational and market restrictions. Forest assets are valued separately from the underlying freehold land.

The forestry assets are revalued annually by D W Guild MNZIF of Guild Forestry as at 30 June.

17. Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties generate cash flow largely independent of other assets held by the entity. Investment properties are stated at fair value. An external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values the portfolio annually. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

Any gain or loss arising from a change in fair value is recognised in the statement of financial performance.

Rental income from investment property is accounted for as described in the Revenue policy (4), above.

18. Impairment of non-financial assets

The carrying amounts of Council's assets, other than inventories (see Inventories policy 11), forestry assets (see Forestry assets policy 16), and investment property (see Investment property policy 17)) are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its

recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of financial performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of financial performance.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the statement of financial performance.

19. Third party transfer payment agencies

Council collects and distributes monies for other organisations. Where collections are processed through Council's books, any monies held are shown as accounts payable in the statement of financial position. Amounts collected on behalf of third parties are not recognised as revenue, but commissions earned from acting as agent are recognised in revenue.

20 Creditors and other payables

Creditors and other payables are recognised at cost.

21. Employee entitlements

Provision is made in respect of Council's liability for the following short and long-term employee entitlements.

(i) Short term entitlements

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken, at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Liabilities for annual leave are accrued at the full amount owing at the pay period ending immediately prior to the statement of financial position date.

Liabilities for accumulating short-term compensated absences (e.g., sick leave), where material, are measured as the amount of unused entitlement accumulated at the pay period ending immediately prior to the statement of financial position date, that Council anticipates employees will use in future periods, in excess of the days that they will be entitled to in each of those periods.

(ii) Long term entitlements

Where (for historical reasons) a retirement gratuity entitlement exists, where material, liability is assessed on an actual entitlement basis using current rates of pay taking into account years of service. All remaining staff with this provision in their contracts have completed the qualifying conditions.

Where (for historical reasons) a long service leave entitlement exists in an individual's employment agreement, the value of the entitlement will be recognised on an actual basis for staff who have completed the service entitlement, but not yet taken the leave, and on a discounted basis for the staff members who have not yet completed the qualifying service.

(iii) Superannuation schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of financial performance as incurred.

22. Borrowings

Borrowings are recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

The cost of borrowing is recognised as an expense in the period in which it is incurred.

23. Provisions

A provision is recognised in the statement of financial position when Council has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

24. Landfill post closure costs

Council has a number of closed landfills. The resource consents for these include a legal obligation to provide ongoing maintenance and monitoring services throughout the life of the consent. The provision is measured on the present value of future cash flows expected, taking into account future events, including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure.

The discount rate used is a rate that reflects the current market assessments of the time value of money and the risks specific to Council.

The estimated future costs of meeting this obligation have been accrued and charged. The calculations assume no change in the legislative requirements for post-closure treatment.

25. Goods and Services Tax

The financial statements are prepared exclusive of GST with the exception of receivables and payables that are shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

26. Cost allocations

The costs of all internal service activities are allocated or charged directly to external service type activities. External service activities refer to activities which provide a service direct to the public. Internal service activities provide support for the external service activities.

Where the user of a service can be identified, the cost recovery is made by way of a direct charge. Where this has not been possible, the costs are allocated by way of general overhead, on the basis of expenditure incurred within the activity.

27. Estimate figures

The estimate figures are those adopted at the beginning of the financial year in the Annual Plan or Long Term Council Community Plan. The estimate figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council for the preparation of financial statements.

28. Critical judgements

Significant assumptions and risks (critical judgements) related to the Long Term Council Community Plan (LTCCP) are identified at various points within the LTCCP. Estimates and underlying assumptions are regularly reviewed. Any change to estimates is recognised in the period if the change affects only that period, or into future periods if it also affects future periods.

New standards and interpretations not yet adopted

A number of new interpretations and standards are not yet effective for the year ended 30 June 2008, and have not been applied in preparing these financial statements:

'-NZ IAS 1 Presentation of Financial Statements (revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (issued 2004) and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. The revised standard gives the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with sub-totals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). The Council has not yet determined the potential effect of the interpretation.

'- NZ IAS 23 Borrowing Costs (revised 2007) replaces NZ IAS 23 Borrowing Costs (issued 2004) and is effective for reporting periods beginning on or after 1 January 2009.. The revised standard requires the capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. The benchmark treatment of NZ IAS 23 (issued 2004) of expensing borrowing costs for qualifying assets is no longer permissible under NZ IAS 23 (revised 2007). The Council has not yet determined the potential effect of the interpretation.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

1. VESTED ASSETS

Subdivision developers are required to install services as a condition of resource consent approval. These services, (roading, sewerage, water supply and footpaths) subsequently vest in the Council as part of its infrastructure. The value of these is identified as income (non-cash) in the Statement of Financial Performance, and is distributed within the following asset classes.

Asset Class	<u>2007/08</u>	<u>2006/07</u>
	\$000's	\$000's
Reserves	49	Nil
Roading (including footpaths)	1,747	1,014
Stormwater	274	229
Wastewater	448	373
Water	228	269
	<u>2,746</u>	<u>1,885</u>

2. VALUATION GAINS and LOSSES

	<u>2007/08</u>	<u>2006/07</u>
	\$000's	\$000's
Gain (loss) in fair value of forestry assets	(3)	(52)
Gain (loss) in fair value of investment property	-	75
Gain (loss) in fair value of community loans	11	14
Total gains/losses	<u>8</u>	<u>37</u>
Total gains as Statement of Financial Performance	46	115
Total losses as Statement of Financial Performance	<u>(38)</u>	<u>(78)</u>
	<u>8</u>	<u>37</u>

3. EMPLOYEE BENEFIT EXPENSES

	<u>2007/08</u>	<u>2006/07</u>
	\$000's	\$000's
Salaries and wages	4,879	4,459
Superannuation scheme contributions:		
- defined contribution schemes	9	15
Increase (decrease) in employee benefit liabilities	12	(52)
Total employee benefit expenses	<u>4,900</u>	<u>4,422</u>

4. OTHER EXPENSES

	<u>2007/08</u>	<u>2006/07</u>
	\$000's	\$000's
Audit fees	109	80
([08] IFRS conversion \$29,000 2007 Accounts \$16,000, 2008 Accounts \$64,000)		
([07] LTCCP Amend. \$5,000, IFRS conversion \$12,000 Accounts \$63,000)		
Accounts receivable written off	48	33
Increase (decrease) in provision for bad debts	32	18
Interest expense	Nil	Nil
Payments under operating lease agreements	26	39
Rates remissions in accordance with Council's policies for rates remissions	95	104
Other operating expenses	15,070	13,356
	<u>15,380</u>	<u>13,630</u>

5. PUBLIC EQUITY

Ratepayers Equity

	<u>2007/08</u>	<u>2006/07</u>
	\$000's	\$000's
Opening Balance 1 July	320,274	316,633
add surplus for year	7,468	3,644
add (less) movement in trust and bequest fund reserves	<u>(5)</u>	<u>(3)</u>
Closing Balance 30 June	<u><u>327,737</u></u>	<u><u>320,274</u></u>

Revaluation Reserves

	<u>2007/08</u>		
	Opening	Net	
	Balance	Movement	
	\$000's	\$000's	
		Closing Balance	
		\$000's	
Roading	132,531	-	132,531
Bridges	7,702	-	7,702
Water	15,545	2,435	17,980
Wastewater	9,021	2,571	11,592
Stormwater	4,044	(1,897)	2,147
Shares	52	9	61
Investment bonds	(20)	(18)	(38)
Total	<u><u>168,875</u></u>	<u><u>3,100</u></u>	<u><u>171,975</u></u>

	<u>2006/07</u>		
	Opening	Net	
	Balance	Movement	
	\$000's	\$000's	
		Closing Balance	
		\$000's	
Roading	92,079	40,452	132,531
Bridges	7,428	274	7,702
Water	14,437	1,108	15,545
Wastewater	9,645	(624)	9,021
Stormwater	2,985	1,059	4,044
Shares	41	11	52
Investment bonds	-	(20)	(20)
Total	<u><u>126,615</u></u>	<u><u>42,260</u></u>	<u><u>168,875</u></u>

Council uses Bizeassets Asset Management System and over the past three years data pertaining to utilities valuations has been continually updated, resulting in more accurate and complete values. The valuation as at 1 July 2007 included an average unit rate increase of 6%, and the addition of new completed assets. The decrease in stormwater in 2007/08 is due to \$2.7m mudtanks that has been removed from stormwater assets as it was included in both roading and stormwater assets in the past.

Trust and Bequest Fund Reserves

	<u>2007/08</u>	<u>2006/07</u>
	\$000's	\$000's
Opening Balance 1 July	47	44
Net Movement	<u>5</u>	<u>3</u>
Closing Balance 30 June	<u><u>52</u></u>	<u><u>47</u></u>

6. STATEMENT OF CASH FLOW

Reconciliation of net cash flows from operating activities with reported net operating surplus.

	<u>2007/08</u>	<u>2006/07</u>
	000's	000's
Net surplus (deficit)	7,468	3,644
Add (less) non-cash items:		
Depreciation	7,395	6,638
Amortisation of intangible assets	97	83
Vested Assets	(2,746)	(1,885)
Valuation gains	(46)	(115)
Valuation losses	38	78
Add (less) movements in working capital items:		
Decrease (Increase) in accounts receivable	177	(429)
Increase (Decrease) in accounts payable	(570)	(199)
Decrease (Increase) in inventory	-	
Decrease (Increase) in net GST receivable	(192)	104
Add (less) items included in investing activities:		
Net gain on sale of assets	(3,460)	(874)
Increase (Decrease) in fixed asset related payables	335	548
Add (less) item included in term liabilities		
Decrease in landfill aftercare liability	(20)	(19)
Net cash inflow (outflow) from operating activities	<u>8,476</u>	<u>7,574</u>

Of the total cash balance of \$4,162,000 (2007: \$2,166,000), an amount of \$52,000 (2007: \$47,000) is restricted in its use.

Cash and Cash equivalents comprise cash and current accounts, and on call deposits as detailed under:

	<u>2007/08</u>	<u>2006/07</u>
	\$000's	\$000's
Cash and current accounts	264	180
On call deposits and deposits maturing within 3 months.	3,898	1,986
	<u>4,162</u>	<u>2,166</u>

7. DEBTORS AND OTHER RECEIVABLES

	<u>2007/08</u>	<u>2006/07</u>
	\$000's	\$000's
Sundry Accounts Receivable	856	1,009
Goods and Services Tax	482	233
Rates Receivable	643	574
Transfund NZ subsidy	914	982
Prepaid Expenses	47	69
	<u>2,942</u>	<u>2,867</u>
Less provision for impairment receivables	(193)	(161)
	<u>2,749</u>	<u>2,706</u>

Of the Rates Receivable, Council has within its district certain properties where the owners have formally or informally abandoned the land. Outstanding rates on these properties are treated as being impaired. Other outstanding rates receivables are not impaired as Council has access to various powers under the Local Government (Rating) Act 2002 for collection. The age of rates receivable is detailed below.

	<u>Gross</u>	<u>2007/08</u>	<u>Net</u>
	\$000's	\$000's	\$000's
Rates Receivable			
Reporting year ended 30 June	393	(21)	372
Unpaid 1 year	97	(18)	79
Unpaid 2 years	38	(15)	23
Unpaid older	115	(106)	9
	<u>643</u>	<u>(160)</u>	<u>483</u>

	<u>Gross</u>	<u>2006/07</u> <u>Impairment</u>	<u>Net</u>
		\$000's	\$000's
Rates Receivable			
Reporting year ended 30 June	349	(18)	331
Unpaid 1 year	98	(15)	83
Unpaid 2 years	25	(10)	15
Unpaid older	102	(99)	3
	<u>574</u>	<u>(142)</u>	<u>432</u>

As at 30 June 2008 and 2007, all overdue receivables, apart from rates receivable, have been assessed for impairment and appropriate provisions applied. Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired. The impairment provision for non-rates receivables has been calculated by a review of specific debtors. There is no concentration of credit risk with respect to receivables due to the dispersed customer base. The age of outstanding sundry accounts receivable is detailed below.

	<u>Gross</u>	<u>2007/08</u> <u>Impairment</u>	<u>Net</u>
	\$000's	\$000's	\$000's
Sundry Accounts Receivable			
Current	447	-	447
Unpaid 1 month	66	-	66
Unpaid 2 months	23	-	23
Unpaid 3 months and older	320	(33)	287
	<u>856</u>	<u>(33)</u>	<u>823</u>

	<u>Gross</u>	<u>2006/07</u> <u>Impairment</u>	<u>Net</u>
		\$000's	\$000's
Sundry Accounts Receivable			
Current	725	-	725
Unpaid 1 month	77	-	77
Unpaid 2 months	21	-	21
Unpaid 3 months and older	186	(19)	167
	<u>1,009</u>	<u>(19)</u>	<u>990</u>

8. CREDITORS AND OTHER PAYABLES

	<u>2007/08</u>	<u>2006/07</u>
	\$000's	\$000's
Sundry Accounts Payable	3,852	3,648
Employee Entitlements	469	457
Other Provisions	48	34
	<u>4,369</u>	<u>4,139</u>

9. AVAILABLE FOR SALE FINANCIAL ASSETS

Investment bonds were held as corporate and bank bonds, and are valued at fair value.

The value of the unlisted shares in NZ Local Government Insurance Corporation Ltd was established using a net assets basis from the Annual Report of the Company for the year ended 31 December 2007.

	<u>2007/08</u> \$000's	<u>2006/07</u> \$000's
Current		
Deposits maturing 3-12 months	50	655
Investment bonds	988	1,500
Promissory Notes	5,875	5,889
	<u>6,913</u>	<u>8,044</u>
Add (less) fair value adjustment investment bonds	(20)	26
	<u>6,893</u>	<u>8,070</u>

	<u>2007/08</u> \$000's	<u>2006/07</u> \$000's
Non Current		
Investment bonds	1,968	2,000
Share investments in unlisted public companies	148	139
	<u>2,116</u>	<u>2,139</u>
Add (less) fair value adjustment investment bonds	(17)	(45)
	<u>2,099</u>	<u>2,094</u>

Interest Rates

The weighted average effective interest rates on investments (current and non-current) were:-

	%	%
Corporate and bank bonds	7.86	7.23
Short-term deposits (bank deposits + promissory notes)	8.86	8.12

Investment maturities

The following schedule gives maturities for all investments (\$000's) :-

	<u>2007/08</u>			
	Short term deposits	Promissory notes	Corporate and bank bonds	Total
Less than 3 months		5,875		5,875
3 to 12 months	50		988	1,038
1 to 2 years			500	500
2 to 5 years			1,468	1,468
	<u>50</u>	<u>5,875</u>	<u>2,956</u>	<u>8,881</u>

	<u>2006/07</u>			
	Short term deposits	Promissory notes	Corporate and bank bonds	Total
Less than 3 months		5,889	1,000	6,889
3 to 12 months	655		500	1,155
1 to 2 years			1,005	1,005
2 to 5 years			995	995
	<u>655</u>	<u>5,889</u>	<u>3,500</u>	<u>10,044</u>

10. LOANS AND RECEIVABLES

Loans and receivables consist of lending to recreation and cultural clubs and bodies, vendor mortgages on sale of land and community lending to local clubs and bodies. The fair value of investments is equal to the holding value, apart from community loans which have been determined using the effective interest method for low interest or interest free loans.

Mortgages and other investments -		
Interest bearing	720	745
Non-interest bearing	<u>212</u>	<u>211</u>
	932	956
Less provision for impairment community loans	<u>(20)</u>	<u>(32)</u>
	<u><u>912</u></u>	<u><u>924</u></u>
Interest Rates		
Mortgages and other investments (interest bearing)	8.64	8.38

11. PROPERTY, PLANT AND EQUIPMENT

Restricted Assets

Some properties have various restrictions placed on them which affect Council's ability to freely deal with those properties. For example, a number of properties, while having a Certificate of Title on issue in Council's name, have been vested under the Reserves Act and may revert to the Crown should the purpose for which the properties were vested cease to be relevant. It is not currently practical to quantify these properties.

"Endowment" properties can be freely divested. The only known restrictions apply to the purpose to which the proceeds received from such divestments may be utilised. Another example is property held in trust by the Council for particular purposes as a result of bequests.

Heritage Assets

Heritage assets are included in the asset register in the same categories as non-heritage assets of similar nature. The book values of heritage assets included within the asset classes are as follows:

	<u>2007/08</u>	<u>2006/07</u>
	\$000's	\$000's
Buildings	95	100
Bridges	158	128
Recreation and Cultural	<u>4</u>	<u>3</u>
	<u><u>257</u></u>	<u><u>231</u></u>

The infrastructural assets water, wastewater, and stormwater were revalued with an effective date of 1 July 2007. This valuation, dated 17 January 2008, using a depreciated replacement value basis, was carried out by independent valuers Rationale Ltd. Edward Guy BE (Civil), BCom, managing director of Rationale Ltd, was the principal valuer for this work.

The valuations have been completed in accordance with the following standards:

NZ Equivalent to International Accounting Standard 16 *Property Plant and Equipment*

NZ Infrastructure Asset Valuation and Depreciation Guidelines Version 2 2006.

Pipe and point unit rates have been reviewed to ensure that they are representative of the current replacement costs being observed in the market, including a review of recent Council contracts for schedule rates.

The roading infrastructural asset was revalued with an effective date of 1 July 2006. This valuation, dated August 2006, using a depreciated replacement value basis, was carried out by independent valuers MWH Ltd. Michael Duggan NZCE (Civil)(Part) was the principal valuer for this work.

The valuations have been completed in accordance with the following standards:

NZ Equivalent to International Accounting Standard 16 *Property Plant and Equipment*

NZ Infrastructure Asset Valuation and Depreciation Guidelines Version 2 2006.

Replacement rates and engineering fees have been reviewed to ensure that they are representative of the current replacement costs being observed in the market, including a review of recent Council contracts for schedule rates.

11. PROPERTY, PLANT AND EQUIPMENT - AS AT 30 JUNE 2008

	Accumulated Depreciation and		Current							Accumulated Depreciation and			
	Cost Revaluation 1/07/2007 \$000's	Impairment Charges 1/07/2007 \$000's	Carrying Amount 1/07/2007 \$000's	Current Year Additions \$000's	Current Year Disposals at Cost \$000's	Accum Depn on Disposals \$000's	Current Impairment Charges \$000's	Current Year Depreciation \$000's	Revaluation \$000's	Revaluation Recovered \$000's	Cost/ Revaluation 30/06/2008 \$000's	Impairment Charges 30/06/2008 \$000's	Carrying Amount 30/06/2008 \$000's
Infrastructural Assets													
Bridges	20,340	(640)	19,700	160	-	-	-	(654)	-	-	20,500	(1,294)	19,206
Roading	340,193	(3,099)	337,094	5,232	-	-	-	(3,318)	-	-	345,425	(6,417)	339,008
Land Under Roads	8,687	-	8,687	-	-	-	-	-	-	-	8,687	-	8,687
Stormwater	14,974	(289)	14,685	477	-	289	-	(236)	(2,186)	289	13,265	(236)	13,029
Water Supply	38,406	(793)	37,613	781	-	796	-	(934)	1,639	796	40,826	(931)	39,895
Under construction	-	-	-	1,103	-	-	-	-	-	-	1,103	-	1,103
Wastewater	24,669	(673)	23,996	1,028	-	-	-	(835)	1,895	676	27,592	(832)	26,760
Under construction	-	-	-	386	-	-	-	-	-	-	386	-	386
	447,269	(5,494)	441,775	9,167	-	-	-	(5,977)	1,348	1,761	457,784	(9,710)	448,074
Operational Assets													
Office Equipment	1,992	(1,433)	559	359	(142)	138	-	(315)	-	-	2,209	(1,610)	599
Furniture and Fittings	1,189	(774)	415	531	-	-	-	(59)	-	-	1,720	(833)	887
Recreation and Culture	4,549	(873)	3,676	332	(1)	1	-	(183)	-	-	4,880	(1,055)	3,825
Other	883	(337)	546	20	-	-	-	(29)	-	-	903	(366)	537
Plant and Machinery	2,679	(1,348)	1,331	342	(20)	15	-	(147)	-	-	3,001	(1,480)	1,521
Motor Vehicles	540	(232)	308	115	(86)	56	-	(87)	-	-	569	(263)	306
Land	6,489	(56)	6,433	562	-	-	-	(14)	-	-	7,051	(70)	6,981
Buildings	24,411	(5,075)	19,336	2,699	-	-	-	(482)	-	-	27,110	(5,557)	21,553
Library Books	1,666	(1,140)	526	120	-	-	-	(102)	-	-	1,786	(1,242)	544
	44,398	(11,268)	33,130	5,080	(249)	210	-	(1,418)	-	-	49,229	(12,476)	36,753
TOTAL FIXED ASSETS	491,667	(16,762)	474,905	14,247	(249)	210	-	(7,395)	1,348	1,761	507,013	(22,186)	484,827

PROPERTY, PLANT AND EQUIPMENT - AS AT 30 JUNE 2007

	Cost Revaluation 1-Jul-06 \$000's	Accumulated Depreciation and Impairment Charges 1-Jul-05 \$000's	Carrying Amount 1-Jul-06 \$000's	Current Year Additions \$000's	Current Year Disposals at Cost \$000's	Accum Depn on Disposals \$000's	Current Impairment Charges \$000's	Current Year Depreciation \$000's	Revaluation Recovered \$000's	Cost/ Revaluation 30-Jun-07 \$000's	Accumulated Depreciation and Impairment Charges 30-Jun-07 \$000's	Carrying Amount 30-Jun-07 \$000's
Infrastructural Assets												
Bridges	20,837	(1,117)	19,720	308	-	-	-	(604)	(805)	20,340	(640)	19,700
Roading	299,947	(5,995)	293,952	5,403	-	-	(3,017)	34,540	5,923	339,890	(3,099)	336,791
Under construction	-	-	-	303	-	-	-	-	-	303	-	303
Land Under Roads	8,687	-	8,687	-	-	-	-	-	-	8,687	-	8,687
Stormwater	13,948	(263)	13,685	229	-	-	(289)	797	263	14,974	(289)	14,685
Water Supply	37,115	(905)	36,210	464	-	-	(791)	204	903	37,783	(793)	36,990
Under construction	-	-	-	623	-	-	-	-	-	623	-	623
Wastewater	24,984	(714)	24,270	484	-	-	(617)	(1,282)	658	24,186	(673)	23,513
Under construction	-	-	-	483	-	-	-	-	-	483	-	483
	405,518	(8,994)	396,524	8,297	-	-	(5,318)	33,454	8,828	447,269	(5,494)	441,775
Operational Assets												
Office Equipment	2,037	(1,498)	539	290	(335)	335	-	(270)	-	1,992	(1,433)	559
Furniture and Fittings	1,101	(722)	379	93	(5)	4	-	(56)	-	1,189	(774)	415
Recreation and Culture	4,090	(706)	3,384	459	-	-	-	(167)	-	4,549	(873)	3,676
Under construction	-	-	-	-	-	-	-	-	-	-	-	-
Other	854	(306)	548	29	-	-	(31)	-	-	883	(337)	546
Plant and Machinery	2,563	(1,214)	1,349	121	(5)	5	(139)	-	-	2,679	(1,348)	1,331
Motor Vehicles	510	(173)	337	65	(35)	21	(80)	-	-	540	(232)	308
Land	5,638	(42)	5,596	925	(74)	-	(14)	-	-	6,489	(56)	6,433
Buildings	22,878	(4,609)	18,269	857	-	-	(466)	-	-	23,735	(5,075)	18,660
Under construction	-	-	-	676	-	-	-	-	-	676	-	676
Library Books	1,559	(1,043)	516	107	-	-	(97)	-	-	1,666	(1,140)	526
	41,230	(10,313)	30,917	3,622	(454)	365	(1,320)	-	-	44,398	(11,268)	33,130
	446,748	(19,307)	427,441	11,919	(454)	365	(6,638)	33,454	8,828	491,667	(16,762)	474,905

TOTAL FIXED ASSETS

12. INTANGIBLE ASSETS

	Easements	Computer Software	Branding	Total
Balance at 1 July 2007				
Cost	42	347	144	533
Accumulated amortisation	-	(224)	(27)	(251)
Opening carrying amount	<u>42</u>	<u>123</u>	<u>117</u>	<u>282</u>
Year ending 30 June 2008				
Additions	6	82	-	88
Amortisation charge	-	(82)	(15)	(97)
Closing carrying amount	<u>48</u>	<u>123</u>	<u>102</u>	<u>273</u>
Balance at 30 June 2008				
Cost				
Accumulated amortisation and Impairment	-	(306)	(42)	(348)
Closing carrying amount	<u>48</u>	<u>123</u>	<u>102</u>	<u>273</u>
Balance at 1 July 2006				
Cost	32	256	144	432
Accumulated amortisation and Impairment	-	(155)	(13)	(168)
Opening carrying amount	<u>32</u>	<u>101</u>	<u>131</u>	<u>264</u>
Year ending 30 June 2007				
Additions	10	91	-	101
Amortisation charge	-	(69)	(14)	(83)
Closing carrying amount	<u>42</u>	<u>123</u>	<u>117</u>	<u>282</u>
Balance at 30 June 2007				
Cost	42	347	144	533
Accumulated amortisation and Impairment	-	(224)	(27)	(251)
Closing carrying amount	<u>42</u>	<u>123</u>	<u>117</u>	<u>282</u>

Easements are not cash generating in nature as they give the right to access across private land. As such impairment of easements is determined by considering the future service potential of the easement and its assessed replacement cost. No impairment losses have been recognised for easements, as the carrying amount of the assets has been assessed as less than their replacement cost.

Branding has been amortised over a period of 10 years which reflects the estimated life of the impact of the brand. No impairment losses have been recognised.

Computer software is amortised over 3 years and no impairment losses have been recognised.

13. FORESTRY ASSETS

	<u>2007/08</u> \$000's	<u>2006/07</u> \$000's
Balance as at 1 July	791	830
Increases due to purchases	8	13
Gains and losses arising from revaluations	(3)	(52)
Decreases due to sales	-	-
Decreases due to Harvest	-	-
Balance as at 30 June	<u>796</u>	<u>791</u>

The Central District Council has forest investments of:

- 20.8 net stocked hectares in Alexandra
- 11.4 net stocked hectares in Alexandra
- 2.3 net stocked hectares in Cromwell
- 93.1 net stocked hectares in Cromwell
- 3.3 net stocked hectares in Ranfurly
- 4.6 net stocked hectares in Naseby *
- 10.3 net stocked hectares in Roxburgh

Alexandra - 20.8 ha of radiata pine of an undetermined age ready to be harvested at any time, with the balance ranging from 11 - 21 years old.

Cromwell - 2.3 ha of radiata pine of an undetermined age ready to be harvested with the balance ranging from 13 - 25 years old.

Ranfurly - 2 ha of Corsican pine 18 years old and 1.3 ha of Radiata 24 years old

Naseby - 2 ha of radiata pine 24 years old and 2.6 ha Corsican pine 27 years old

Roxburgh - 13.3 ha radiata pine 24 years old.

Assumption: Radiata mature for clearfelling at 35 years of age and Corsican pine 60 years.

Central Otago District Council has 25% investment in a joint venture forest with Queenstown . Lakes District Council which comprises of 44.75 net stock hectares of Douglas fir from 19 to 24 years old. The forest is planted entirely in Douglas fir.

There has been no change to stocked area since last valuation.

Assumption: Douglas fir mature for clearfelling at an average age of 45.

Independent registered valuers Guild Forestry have valued forestry assets as at 30 June 2008.

A pre tax discount rate of 8% has been used this year. This rate has been applied to real, pretax cash flows using the timing convention. This represents a change from previous years when 9% was used.

The value as at 30 June represent a 3.5% increase in value over the same time last year. Much of the increase is attributable to lowering the discount rate from 9% to 8%.

No forests have been harvested during the period.

Central Otago District Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore has not taken any measures to manage the risks of a decline in timber prices.

* Extensive salvage of the Naseby forest has now taken place, resulting in a major change to the stocked area.

14. INVESTMENT PROPERTY

	<u>2007/08</u> 000's	<u>2006/07</u> 000's
Balance as at 1 July	1,660	1,585
Additions from acquisitions	-	-
Disposals	-	-
Fair value gains/(losses) on valuation	-	75
Balance at 30 June	<u>1,660</u>	<u>1,660</u>
Rental income from investment property	121	115
Direct expenses from investment property generating income	68	15
Direct expenses from investment property not generating income	Nil	Nil

Central Otago District Council investment properties are valued annually at fair values effective 30 June. All properties were valued on open market evidence. The valuation was performed by QV Valuations who are experienced in property valuation in the local market.

There is no change in the value of Investment Properties since 30 June 2007.

There are no contractual obligations in relation to investment properties at balance date.

15. JOINT VENTURE

Council has a one quarter interest in the Coronet Forest accounted for as a jointly controlled operation with Queenstown Lakes District Council. Council's interests in the jointly controlled operation are as follows:

	<u>2007/08</u> 000's	<u>2006/07</u> 000's
Current assets	-	-
Non-Current assets	486	491
Current liabilities	4	7
Non-current liabilities	-	-
Income	-	-
Expenses	16	3

16. LANDFILL AFTERCARE PROVISION

The Council has a number of resource consents for closed landfills. The Council has a responsibility under these consents to provide ongoing maintenance and monitoring of the landfill sites.

These responsibilities include:-

- treatment and monitoring of leachate
- groundwater and surface monitoring
- monitoring of air quality
- ongoing maintenance of cover and monitoring bores.

The cash outflows are expected to continue through to 2031 when the last of the current resource consents expires. Future monitoring requirements past this date are not quantifiable. No reimbursements are expected.

The long term nature of this liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated using existing technology and is discounted at a rate of 6%.

The landfill liability is estimated at \$110,000 (2007 - \$130,000)

	<u>2007/08</u>	<u>2006/07</u>
	\$000's	\$000's
Opening Balance	130	149
Less applied to operations	(26)	(26)
Add Interest time adjustment	6	7
Closing balance	<u>110</u>	<u>130</u>

17. CONTINGENCIES

	<u>2007/08</u>	<u>2006/07</u>
	\$	\$
Contingent Liabilities	Nil	Nil
Contingent Assets	10,433,000	9,169,000

Contingent assets comprise the value of lessees' improvements on land leased from Council where a term of the lease provides for the improvements to vest in Council on the dissolution of the community group leasing that part of the reserve. Until this event occurs these assets are not recognised in the Statement of Financial Position. The 2007/08 values are derived from the rating valuation dated 1 September 2007 (2006/07: 1 September 2004), completed by Quotable Value NZ Ltd.

18. DISCLOSURES (Schedule 10 LOCAL GOVERNMENT ACT 2002, and Accounting Standards)

Expenditure	Previous position	<u>2007/08</u>	<u>2006/07</u>
		\$	\$
(a) Remuneration of elected members (including expenses)			
<i>Mayor</i>			
J M Macpherson		59,357	54,150
<i>Councillors</i>			
G R Bell		19,550	9,978
S J Battrick	ACB	9,750	8,317
B A Becker	MCB	18,444	1,994
L J Claridge		10,563	8,643
G J Dillon	To election	3,569	7,725
M V Dowling *	To election	14,742	26,505
T C Emmitt *		32,365	27,017
N J Gillespie		22,206	14,137
C R Higginson	EMCB	14,573	1,994
J T Lane *		33,459	27,848
A B Lepper		24,367	16,977
E J Mcatamney	To election	3,488	8,897
G M Smith	To election	5,797	17,393
C Stevenson	To election	4,286	9,844
G M Stewart		15,066	10,646
* Member Project Hayes Hearings Panel			
<i>Vincent Community Board**</i>			
J F Hall	To election ACB	1,484	3,988
J R Hill	Resigned ACB	0	3,933
M R Mcpherson	To election Councillor	10,976	16,264
C M Withington	ABC	5,246	3,988
B J Wills	From By election	844	Nil
M T Flannery	EMCB	5,070	2,262
J H Knapp	To election EMCB	751	1,994
T M Moran	To election EMCB	785	2,314
J D Shand	Deceased EMCB	3,362	2,081
<i>Cromwell Community Board</i>			
V A Coster	From election	3,811	Nil
C R Crawford		5,246	3,988
H E Hucklebridge		5,246	3,988
W M Macmillan		5,357	4,118

N G Trevathan	To election	1,559	4,329
<i>Maniototo Community Board</i>			
S L Duncan		2,623	1,994
R J Smith		4,502	2,010
M G Summers	From By election	505	Nil
S E Umbers		2,623	1,994
<i>Roxburgh Community Board</i>			
S F Jeffery		4,331	
J M Kerr		717	1,994
C R Parker		2,029	
H L Pinder		2,623	1,994
T A Stevenson		3,504	2,025
S J Wilson	To election	420	5,573

Alexandra and Earnsclough Community Boards were combined at the date of the election (13 October 2007) to form the Vincent Community Board
--

(b) Remuneration of Chief Executive Officer

The Chief Executive Officer of the Central Otago District Council, appointed under section 42 (1) of the Local Government Act 2002, received a salary and benefits as detailed below.

	<u>2007/08</u>	<u>2006/07</u>
	\$	\$
Salary	204,693	179,253
Additional benefits:		
Motor vehicle	12,500	12,500

As at 30 June 2008, the annual cost, including fringe benefit tax, to the Central Otago District Council of the remuneration package being received by the Chief Executive is calculated at \$210,320 (2007 - \$191,200).

(c) Remuneration of Key Management

Salary range \$000's	No.	<u>2007/08</u>	No.	<u>2006/07</u>
		\$		\$
90-100			2	193,449
100-110	2	210,394	1	102,836
120-130	1	120,179		
130-140	1	139,654	1	130,031

(d) Severance agreements

Pursuant to Schedule 10 Part 3 (19) of the Local Government Act 2002, the Council is required to disclose the cost of any severance agreement with an employee. No such severance agreements occurred (2007 - Nil).

	<u>2007/08</u>	<u>2006/07</u>
	\$	\$
Revenue		
(e) Donations	44,750	79,977

19. RELATED PARTY TRANSACTIONS

During the year Councillors, Community Board members and key management staff, as part of a normal customer relationship, were involved in minor transactions with the Council, such as payment of rates and transfer station fees. In addition, Council purchased specific services from Councillors and Board members, as follows:

Councillor	Supplier	Relationship	<u>2007/08</u>	<u>2006/07</u>
			\$	\$
Cr Emmitt	TC Emmitt & Associates	Principal	Nil	1,573
	Cromwell Promotions	Secretary	40,000	40,000
Cr Dowling	Mike Dowling	Principal	22,453	26,847
Cr Lane	Lanby Investments Ltd	Director	1,220	753

Cr McAtamney	Decollectables	Principal	Nil	196
	Moyola Art Deco	Principal	Nil	1,847
Community Board Member				
J H Knapp	JH and OJ Knapp Ltd	Director	Nil	357
H Pinder	Pinder Motors Ltd	Director	48	267

These services were provided on normal commercial terms. Cr Emmitt provides contracted services to Cromwell and Districts Promotions Inc which receives funding from the Council. Cr Dowling provides roading gravel, other disclosures relate to purchases of goods.

20. FINANCIAL INSTRUMENTS

The Council has a series of policies to manage the risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council has established and approved liability management and investment policies, as set out within the 2006-16 Long Term Council Community Plan adopted by Council at its June 2006 meeting.

Credit Risk

Financial instruments which potentially subject the Council to credit risk principally are bank and cash, debtors and other receivables, and short term investments.

The Council's main bank accounts are held with the Bank of New Zealand. The credit risk is reduced by ensuring the balances in the accounts are at sufficient levels to fund the day to day operations of the Council. Surplus funds are invested in accordance with Council policy with a number of approved trading banks, building societies, local authorities, state owned enterprises, regional health entities, corporates or in NZ Government stock. Council's investment policy limits the amount of credit exposure to any one financial institution or organisation.

The level and spread of accounts receivable minimises the Council's exposure to risk. Collateral held: Rates as a charge on the property pursuant to the Local Government (Rating) Act 2002.

Maximum Exposure to Credit Risk and Fair Values

The maximum exposure to credit risk and fair value of financial instruments is the equivalent to the carrying amount in the Statement of Financial Position. Council manages the credit risk by spreading its investments across several institutions that have approved credit ratings.

Currency Risk

The Council is not exposed to any direct currency risk as all transactions are in New Zealand dollars.

Interest Rate Risk

The Council manages its investments to minimise interest rate risk, in accordance with its investment policy, by holding investments with differing maturities and fixed returns.

Liquidity Risk

To meet its liquidity requirements, Council maintains a target level of investments to mature with differing maturities in either the short term or long term, after taking into account projected cashflows.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Council is exposed to price risk in relation to its available for sale investments where the interest rate is fixed. The price risk arises due to interest rate movements. This price risk is managed by diversification of Council's investment portfolio in accordance with the limits set out in Council's investment policy.

21. INTERNAL LOANS

The Council has used available cash reserves to finance debt internally rather than using external funding. These loans are not represented in the Statement of Financial Position.

	<u>2007/08</u>	<u>2006/07</u>
	\$000's	\$000's
Opening balance	3,544	4,048
Add new advances	125	-
Less principal paid	(524)	(504)
Closing balance	<u>3,145</u>	<u>3,544</u>

In accordance with accounting standards, internal interest is excluded from the Statement of Financial Performance. It remains included in the individual Cost of Services Statements to recognise the actual cost to ratepayers of that particular activity. The following table details the amount of internal interest included within the respective Cost of Service Statements.

Internal Interest Activity	<u>2007/08</u>	<u>2007/08</u>	<u>2006/07</u>
	\$000's	\$000's	\$000's
	Actual	Estimate	Actual
Community Buildings	2	5	1
Elderly Persons Housing	80	77	75
Parks and Recreation	-	-	1
Swim Centres	12	6	-
Airports	3	2	2
Commercial Property	3	5	2
Forestry	2	2	2
Local Roading	48	46	44
Stormwater	51	47	55
Wastewater	28	27	29
Water	122	117	75
Waste Management	20	13	11
	<u>371</u>	<u>347</u>	<u>297</u>

22. CAPITAL MANAGEMENT

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 [the Act] requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Council Community Plan (LTCCP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTCCP.

The Council has the following Council created reserves:

- reserves for different areas of benefit;
- self-insurance reserves; and
- trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

23. ESTIMATES

The estimates in the Annual Plan Statement of Financial Performance retained some internal content. This internal content,(\$000's) interest (\$193) and gross value of commission sales (\$400) has been extracted from those estimates when applied to the Statement of Financial Performance in this report.

24. COST OF SERVICE STATEMENTS

"Rates" as shown in the Cost of Service statements, represents the rates applicable to that activity plus external revenue applied in support of rates.

The amount of the difference, between the sum of "Rates" in the Cost of Service statements and the Rates revenue in the Statement of Financial Performance, is (\$000's) Actual 07/08 \$459, Estimate 07/08 \$555, Actual 06/07 \$536.

25. EXPENDITURE SUMMARY COST OF SERVICES

	<u>2007/08</u>	<u>2006/07</u>
	\$000's	\$000's
Community Services		
Cemeteries	72	71
Community Buildings	561	544
Clutha Management	83	52
Elderly Persons Housing	461	432
Emergency management	313	270
Grants	496	794
Libraries	830	731
Parks and reserves	1,671	1,449
Swim Centres	1,431	1,242
District Development		
Airports	86	43
Commercial and other property	860	416
Community	509	437
Economic development	154	137
Tourism - promotion groups	149	165
Tourism Central Otago	217	252
Tourism - visitor information centres	796	552
Utility Services		
District roading	7,747	6,962
Footpaths, carparks and street cleaning	556	690
Public toilets	124	188
Stormwater	358	422
Water	2,427	2,311
Wastewater	2,041	1,763
Waste management	2,160	1,995
Utilities management	307	313
Environmental services	2,820	2,193
Governance and administration		
Democracy	922	749
Overheads and other	(341)	(322)
(includes internal interest recoveries)		
TOTAL EXPENDITURE	<u>27,810</u>	<u>24,851</u>

Community Services

This relates to activities which make a positive difference to the well-being of the community, albeit in different ways. For example, civil defence and rural fire contribute to a safe community, whereas cemeteries provision assists with peace of mind for people, knowing their loved ones will rest in peaceful, well kept environments.

Council also provides facilities and services which have a social and cultural benefit to the community, such as halls, libraries and parks.

A healthy community is sustained by provision of swim centres and parks.

Finally, Council enhances the social well-being of the district by providing elderly persons' housing and grants, both ensuring that all sections of the community benefit from living in Central Otago.

Performance Measures	Achievements		
<p>➤ Satisfaction with the condition and availability of the District's parks and reserves, libraries and swim centres is maintained or improved upon from previous Resident Opinion Surveys.</p> <p>➤ An "at current level or better" standard of community housing will be provided to contribute to the need for social housing in the community with annual surveys of tenants completed to confirm satisfaction levels.</p>	% satisfied parks and reserves		
		<u>2007/08</u>	<u>2006/07</u>
	Alexandra	95	95
	Cromwell	93	94
	Earnscliffe/Manuherikia	91	94
	Maniototo	91	100
	Roxburgh	100	87
	District	94	94
	% satisfied library services		
		<u>2007/08</u>	<u>2006/07</u>
	Alexandra	99	99
	Cromwell	95	96
	Earnscliffe/Manuherikia	99	97
	Maniototo	96	95
Roxburgh	93	97	
District	97	97	
% satisfied community housing			
<u>2007/08</u>	<u>2006/07</u>		
95	93		
<p>An ongoing maintenance / refurbishment programme is in place. This is recognised by increased satisfaction with community housing.</p>			

Performance Measures ctd	Achievements ctd		
<p>➤ Attendance figures at Council managed swim centres.</p> <p>➤ The level of satisfaction with Council managed cemeteries will be maintained or improved upon as indicated by ratings obtained in the Resident Opinion Survey.</p>	% satisfied swim centres		
		<u>2007/08</u>	<u>2006/07</u>
	Alexandra	95	96
	Cromwell	96	94
	Earnscliffe/Manuherikia	94	92
	Maniototo	93	91
	Roxburgh	83	81
	District	94	93
	<p>Satisfaction with swim centres continues to increase. The lower level of satisfaction with the Roxburgh pool is currently being addressed with a proposal for a new swim centre.</p>		
	swimmer use		
	<u>2007/08</u>	<u>2006/07</u>	
Alexandra	78,530	78,122	
Cromwell†	17,073	19,416	
Ranfurly	5,046	7,311	
Roxburgh	1,699	1,506	
District	102,348	106,355	
<p>➤ The decrease in swimmer use at the Ranfurly pool is because non swimmers are now not included in the data.</p> <p>➤ The decrease in swimmers using the Cromwell swim centre is due to the fact that the centre was closed for a period of two months for major renovations.</p>			
% satisfied cemeteries			
	<u>2007/08</u>	<u>2006/07</u>	
Alexandra	97	97	
Cromwell	91	92	
Earnscliffe/Manuherikia	89	85	
Maniototo	97	87	
Roxburgh	94	92	
District	94	92	

COMMUNITY SERVICES

CEMETERIES

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
3	Rates	31	31
Other Income			
48	Burial Fees	45	40
-	Lease	8	9
<u>51</u>	TOTAL REVENUE	<u>84</u>	<u>80</u>
EXPENDITURE			
34	Alexandra	31	40
16	Cromwell	13	15
12	Earnsclough/Manuherikia	16	17
9	Maniototo	12	9
<u>71</u>	TOTAL EXPENSE	<u>72</u>	<u>81</u>
<u>(20)</u>	NET SURPLUS (DEFICIT)	<u>12</u>	<u>(1)</u>
<u>15</u>	CAPITAL EXPENDITURE	<u>27</u>	<u>66</u>

COMMUNITY SERVICES

CLUTHA MANAGEMENT

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
69	Rates	58	58
Other Income			
-	Capital Donations	3	23
26	Interest	35	17
<u>95</u>	TOTAL REVENUE	<u>96</u>	<u>98</u>
EXPENDITURE			
45	Operating	54	65
7	Administration	9	10
-	Grants	20	-
<u>52</u>	TOTAL EXPENSE	<u>83</u>	<u>75</u>
<u>43</u>	NET SURPLUS (DEFICIT)	<u>13</u>	<u>23</u>
<u>-</u>	CAPITAL EXPENDITURE	<u>-</u>	<u>33</u>

COMMUNITY SERVICES

COMMUNITY BUILDINGS

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
379	Rates	425	425
Other Income			
90	Rentals and Hires	91	86
488	Capital Donations	83	347
5	Interest	5	3
<u>962</u>	TOTAL REVENUE	<u>604</u>	<u>861</u>
EXPENDITURE			
469	Community Buildings	507	527
47	Museums	46	48
28	Other Property	8	20
<u>544</u>	TOTAL EXPENSE	<u>561</u>	<u>595</u>
<u>418</u>	NET SURPLUS (DEFICIT)	<u>43</u>	<u>266</u>
<u>545</u>	CAPITAL EXPENDITURE	<u>91</u>	<u>339</u>

COMMUNITY SERVICES

ELDERLY PERSONS HOUSING

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
8	Rates	23	23
Other Income			
409	Rentals and Hires	455	417
1	Interest	-	-
<u>418</u>	TOTAL REVENUE	<u>478</u>	<u>440</u>
EXPENDITURE			
432	Elderly Persons Housing	461	440
<u>432</u>	TOTAL EXPENSE	<u>461</u>	<u>440</u>
<u>(14)</u>	NET SURPLUS (DEFICIT)	<u>17</u>	<u>-</u>
<u>28</u>	CAPITAL EXPENDITURE	<u>91</u>	<u>62</u>

COMMUNITY SERVICES

EMERGENCY MANAGEMENT

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
213	Rates	227	227
Other Income			
9	Grants and Subsidies	30	5
32	Other Income	65	7
10	Capital Contributions	-	-
<u>264</u>	TOTAL REVENUE	<u>322</u>	<u>239</u>
EXPENDITURE			
53	Civil Defence	54	64
217	District Rural Fire	259	180
<u>270</u>	TOTAL EXPENSE	<u>313</u>	<u>244</u>
<u>(6)</u>	NET SURPLUS (DEFICIT)	<u>9</u>	<u>(5)</u>
<u>73</u>	CAPITAL EXPENDITURE	<u>80</u>	<u>59</u>

COMMUNITY SERVICES

GRANTS

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
187	Rates	226	226
Other Income			
116	Grants and Subsidies	20	23
66	Other Income	19	2
<u>369</u>	TOTAL REVENUE	<u>265</u>	<u>251</u>
EXPENDITURE			
275	District Council	200	93
130	Vincent	133	223
352	Cromwell	134	19
27	Maniototo	23	12
10	Roxburgh	6	17
<u>794</u>	TOTAL EXPENSE	<u>496</u>	<u>364</u>
<u>(425)</u>	NET SURPLUS (DEFICIT)	<u>(231)</u>	<u>(113)</u>

COMMUNITY SERVICES

LIBRARIES

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
687	Rates	774	774
Other Income			
62	User Fees and Other Income	58	62
2	Donations	6	0
<u>751</u>	TOTAL REVENUE	<u>838</u>	<u>836</u>
EXPENDITURE			
106	District	88	89
348	Alexandra	391	391
189	Cromwell	246	238
13	Clyde	14	15
32	Maniototo	38	44
43	Roxburgh	53	59
<u>731</u>	TOTAL EXPENSE	<u>830</u>	<u>836</u>
<u>20</u>	NET SURPLUS (DEFICIT)	<u>8</u>	<u>-</u>
<u>268</u>	CAPITAL EXPENDITURE	<u>125</u>	<u>146</u>

COMMUNITY SERVICES

PARKS and RESERVES

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
1,097	Rates	1,265	1,265
Other Income			
285	User Fees and Other Income	302	180
13	Interest	15	14
6	Donations	3	7
56	Other Capital Contributions	14	63
-	Vested Assets	49	-
1,457	TOTAL REVENUE	1,648	1,529
EXPENDITURE			
6	District	(12)	-
434	Alexandra	499	456
432	Cromwell	570	514
320	Earnscliffe/Manuherikia	341	243
165	Maniototo	170	159
92	Roxburgh	103	98
1,449	TOTAL EXPENSE	1,671	1,470
8	NET SURPLUS (DEFICIT)	(23)	59
292	CAPITAL EXPENDITURE	311	451

Note: Vested assets are not included within the capital expenditure in this Statement

COMMUNITY SERVICES

SWIM CENTRES

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
639	Rates	784	784
Other Income			
140	Admissions	166	134
82	Season Tickets	90	95
12	Rentals and Hires	8	14
89	Other Income	113	124
2	Capital Contributions	1,961	1,767
<u>964</u>	TOTAL REVENUE	<u>3,122</u>	<u>2,918</u>
EXPENDITURE			
825	Alexandra	876	730
-	Clyde	33	45
288	Cromwell	394	374
96	Maniototo	101	102
33	Roxburgh	27	29
<u>1,242</u>	TOTAL EXPENSE	<u>1,431</u>	<u>1,280</u>
<u>(278)</u>	NET SURPLUS (DEFICIT)	<u>1,691</u>	<u>1,638</u>
<u>628</u>	CAPITAL EXPENDITURE	<u>3,109</u>	<u>3,404</u>

District Development Services

Council has an important role to play in achieving a thriving, diverse, sustainable economy. Indirectly it contributes to economic growth through the provision of infrastructure and services that make the district attractive to businesses, residents and visitors. It also has a direct role to play as a funder for economic development initiatives and promoter of the district.

Council aims to achieve this through its District Development unit that encompasses Tourism Central Otago, supported by Visitor Information Centres and local promotion groups, economic and community development functions. And, of course, Council recently launched an exciting new initiative – the regional identity – to assist in this.

This group of activities also includes Council's investment properties (such as the National Bank building, Alexandra) and the airports.

While recognising that economic growth is important to the district, Council is also conscious that the community has other outcomes it is seeking to achieve, and so economic well-being will be balanced with environmental, social and cultural well-being.

PERFORMANCE MEASURES	ACHIEVEMENTS		
<p>➤ Satisfaction with how the region is marketed as a tourism destination by residents and ratepayers of the District will be rated as “at or better” than levels indicated in previous Resident Opinion Surveys.</p> <p>➤ Satisfaction with the service received from Council Visitor Information Centres will be rated “at or better” than levels indicated in previous Resident Opinion Surveys.</p> <p>➤ Resident awareness of, use of, and satisfaction with, the “Central Otago - A World of Difference” brand will be improved upon each year as shown through results obtained in the Resident Opinion Survey.</p>	% satisfied Tourism Central Otago		
		<u>2007/08</u>	<u>2006/07</u>
	Alexandra	82	86
	Cromwell	86	92
	Earnsclough/Manuherikia	88	91
	Maniototo	98	93
	Roxburgh	87	88
	District	87	89
	% satisfied visitor information centres		
		<u>2007/08</u>	<u>2006/07</u>
	Alexandra	96	98
	Cromwell	98	99
	Earnsclough/Manuherikia	100	93
	Maniototo	98	84
	Roxburgh	97	85
District	97	96	
% awareness of the brand “Central Otago – A World of Difference”			
	<u>2007/08</u>	<u>2006/07</u>	
Alexandra	80	74	
Cromwell	79	75	
Earnsclough/Manuherikia	79	84	
Maniototo	83	85	
Roxburgh	77	84	
District	80	78	

DISTRICT DEVELOPMENT

AIRPORTS

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
20	Rates	25	25
	Other Income		
17	Rentals and Hires	21	17
<u>37</u>	TOTAL REVENUE	<u>46</u>	<u>42</u>
EXPENDITURE			
43	Administration	86	51
<u>43</u>	TOTAL EXPENSE	<u>86</u>	<u>51</u>
<u>(6)</u>	NET SURPLUS (DEFICIT)	<u>(40)</u>	<u>(9)</u>
<u>-</u>	CAPITAL EXPENDITURE	<u>6</u>	<u>-</u>

DISTRICT DEVELOPMENT

COMMERCIAL PROPERTY

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
(132)	Rates	(111)	(110)
Other Income			
958	Rentals and Hires	476	348
32	Interest	43	29
1,049	Profit on Sale of Assets	3,424	-
101	Valuation Gains	35	-
<hr/>		<hr/>	<hr/>
2,008	TOTAL REVENUE	3,867	267
EXPENDITURE			
91	District	89	82
66	Alexandra	165	110
115	Cromwell	191	149
11	Earnsclough/Manuherikia	14	9
121	Maniototo	380	65
12	Roxburgh	21	17
<hr/>		<hr/>	<hr/>
416	TOTAL EXPENSE	860	432
<hr/>		<hr/>	<hr/>
1,592	NET SURPLUS (DEFICIT)	3,007	(165)
<hr/>		<hr/>	<hr/>
1,173	CAPITAL EXPENDITURE	1,512	2,333

DISTRICT DEVELOPMENT

COMMUNITY

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
422	Rates	497	497
5	Other Income	10	-
<hr/>		<hr/>	<hr/>
427	TOTAL REVENUE	507	497
EXPENDITURE			
350	District Development	424	382
63	Regional Identity	59	78
20	Communications	13	28
4	Community Planner	13	9
<hr/>		<hr/>	<hr/>
437	TOTAL EXPENSE	509	497
<hr/>		<hr/>	<hr/>
(10)	NET SURPLUS (DEFICIT)	(2)	-
<hr/>		<hr/>	<hr/>
8	CAPITAL EXPENDITURE	31	28

DISTRICT DEVELOPMENT

ECONOMIC DEVELOPMENT

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
166	Rates	173	173
Other Income			
1	Other income	7	-
-	Profit on sale of assets	4	-
<u>167</u>	TOTAL REVENUE	<u>184</u>	<u>173</u>
EXPENDITURE			
56	Operating Costs	61	79
81	Administration and Staff Costs	93	94
<u>137</u>	TOTAL EXPENSE	<u>154</u>	<u>173</u>
<u>30</u>	NET SURPLUS (DEFICIT)	<u>30</u>	<u>-</u>
<u>1</u>	CAPITAL EXPENDITURE	<u>2</u>	<u>-</u>

DISTRICT DEVELOPMENT

PROMOTION GROUPS

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
182	Rates	186	185
<hr/>		<hr/>	<hr/>
182	TOTAL REVENUE	186	185
EXPENDITURE			
45	Alexandra	25	61
90	Cromwell	90	90
10	Earnscliffe/Manuherikia	10	10
16	Maniototo	20	20
4	Roxburgh	4	4
<hr/>		<hr/>	<hr/>
165	TOTAL EXPENSE	149	185
<hr/>		<hr/>	<hr/>
17	NET SURPLUS (DEFICIT)	37	-
<hr/> <hr/>		<hr/> <hr/>	<hr/> <hr/>

DISTRICT DEVELOPMENT

TOURISM CENTRAL OTAGO and VISITOR INFORMATION CENTRES

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
654	Rates	713	713
Other Income			
181	Other Income	258	151
835	TOTAL REVENUE	971	864
EXPENDITURE			
252	Tourism Central Otago	217	231
28	District	103	36
199	Alexandra	286	259
189	Cromwell	206	201
88	Maniototo	153	82
48	Roxburgh	48	55
804	TOTAL EXPENSE	1,013	864
31	NET SURPLUS (DEFICIT)	(42)	-
47	CAPITAL EXPENDITURE	5	-

Utilities Services

This group relates to services Council provides and assets it manages to assist the district continue to function effectively and safely.

Roading ensures people can travel safely and business can function, contributing to the economic well-being of the district.

Water, wastewater, stormwater and waste management contribute towards a sustainable environment, and contribute to social well-being by assisting with keeping the community healthy.

Public toilets do the same, plus assist economic well-being by ensuring tourists and other visitors are well catered for.

PERFORMANCE MEASURES	ACHIEVEMENTS																	
<p>➤ Reliable, potable drinking water supplies with adequate fire fighting capacity will be provided, measured by Drinking Water Standards 2005 assessed by pass/fail rates of tests to NZ Drinking Water Standards, Fire Service hydrant tests, and the percentage of time water is available, all at or above current levels.</p> <p>➤ Public health will be protected by providing a reliable wastewater disposal network that complies with Resource Consent requirements, measured by full compliance with ORC discharge resource consent conditions.</p>	<p>Water availability across all schemes was 99.85%. Patearoa, Omakau and Ranfurly schemes achieved 100% availability.</p> <ul style="list-style-type: none"> ➤ 734 water tests were taken ➤ There were 3 failed tests; 1 at Cromwell and 1 at Roxburgh failed as a result of a sampling contamination. Follow up tests were fine. The third failed test was due to a chlorine dosing issue at Roxburgh. <p>The New Zealand Fire Service tested 122 hydrants in the following towns.</p>																	
	<table border="1"> <thead> <tr> <th data-bbox="812 1373 1094 1429">Town</th> <th data-bbox="1094 1373 1241 1429">No. of hydrants</th> <th data-bbox="1241 1373 1380 1429">Failed</th> </tr> </thead> <tbody> <tr> <td data-bbox="812 1429 1094 1462">Alexandra</td> <td data-bbox="1094 1429 1241 1462">45</td> <td data-bbox="1241 1429 1380 1462">0</td> </tr> <tr> <td data-bbox="812 1462 1094 1496">Cromwell</td> <td data-bbox="1094 1462 1241 1496">49</td> <td data-bbox="1241 1462 1380 1496">0</td> </tr> <tr> <td data-bbox="812 1496 1094 1529">Clyde</td> <td data-bbox="1094 1496 1241 1529">13</td> <td data-bbox="1241 1496 1380 1529">0</td> </tr> <tr> <td data-bbox="812 1529 1094 1563">Patearoa</td> <td data-bbox="1094 1529 1241 1563">4</td> <td data-bbox="1241 1529 1380 1563">1</td> </tr> <tr> <td data-bbox="812 1563 1094 1599">Ranfurly</td> <td data-bbox="1094 1563 1241 1599">11</td> <td data-bbox="1241 1563 1380 1599">0</td> </tr> </tbody> </table>	Town	No. of hydrants	Failed	Alexandra	45	0	Cromwell	49	0	Clyde	13	0	Patearoa	4	1	Ranfurly	11
Town	No. of hydrants	Failed																
Alexandra	45	0																
Cromwell	49	0																
Clyde	13	0																
Patearoa	4	1																
Ranfurly	11	0																
<p>17 hydrants were reported to have faults.</p> <p>There were 36 breaches of resource consent conditions across the district.</p> <ul style="list-style-type: none"> ➤ 25 in Cromwell ➤ 4 in Bannockburn ➤ 1 in Alexandra ➤ 6 in Naseby 																		

PERFORMANCE MEASURES ctd	ACHIEVEMENTS ctd		
<p>➤ Public property will be protected by providing a reliable stormwater disposal network, measured by the number of complaints received from the public.</p> <p>➤ Satisfaction with Council waste management facilities (transfer stations, collection services and landfills) is “at or better” than indicated in previous Resident Opinion Surveys.</p> <p>➤ The weight of material diverted by Central Otago Wastebusters is “at or better” than the previous year.</p>	Of the 97 stormwater service requests received, 87 % were actioned in the required response time.		
	% satisfied waste collection		
		<u>2007/08</u>	<u>2006/07</u>
	Alexandra	98	99
	Cromwell	91	96
	Earnscliffe/Manuherikia	97	92
	Maniototo	94	98
	Roxburgh	96	98
	District	95	97
	% satisfied waste disposal (transfer stations)		
		<u>2007/08</u>	<u>2006/07</u>
	Alexandra	96	97
Cromwell	92	94	
Earnscliffe/Manuherikia	97	93	
Maniototo	90	97	
Roxburgh	97	85	
District	94	94	
tonnage diverted from landfill			
<u>2007/08</u>	<u>2006/07</u>		
1,871 tonnes	1,562 tonnes		
<p>This reflects 16.1% of the total waste stream to Victoria Flats landfill. These figures do not include diversions to WasteBuster’s resale shop or diversions at transfer stations for cleanfill, greenwaste and scrap metal.</p>			

PERFORMANCE MEASURES ctd	ACHIEVEMENTS ctd																										
<ul style="list-style-type: none"> ➤ A smooth and safe sealed roading network will be provided, where all roads with a daily average traffic of over 200 vehicles per day are sealed. 	All roads over with over 200 vehicle movements per day are sealed.																										
<ul style="list-style-type: none"> ➤ Gravel roads will be maintained to provide a smooth safe riding surface, where regular evasive action is not required owing to potholes, corrugations and excessive or large loose aggregate. The pavement will be shaped with consistent and adequate camber to shed water. Measurement will be via benchmarking surveys and the Resident Opinion Survey. 	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">% satisfied gravel roads</th> </tr> <tr> <th style="width: 60%;"></th> <th style="text-align: center;"><u>2007/08</u></th> <th style="text-align: center;"><u>2006/07</u></th> </tr> </thead> <tbody> <tr> <td>Alexandra</td> <td style="text-align: center;">88</td> <td style="text-align: center;">90</td> </tr> <tr> <td>Cromwell</td> <td style="text-align: center;">78</td> <td style="text-align: center;">84</td> </tr> <tr> <td>Earnsclough/Manuherikia</td> <td style="text-align: center;">70</td> <td style="text-align: center;">66</td> </tr> <tr> <td>Maniototo</td> <td style="text-align: center;">42</td> <td style="text-align: center;">47</td> </tr> <tr> <td>Roxburgh</td> <td style="text-align: center;">67</td> <td style="text-align: center;">66</td> </tr> <tr> <td>District</td> <td style="text-align: center;">74</td> <td style="text-align: center;">77</td> </tr> </tbody> </table>			% satisfied gravel roads				<u>2007/08</u>	<u>2006/07</u>	Alexandra	88	90	Cromwell	78	84	Earnsclough/Manuherikia	70	66	Maniototo	42	47	Roxburgh	67	66	District	74	77
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	<u>2007/08</u>	<u>2006/07</u>																									
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Maniototo	42	47																									
Roxburgh	67	66																									
District	74	77																									
<ul style="list-style-type: none"> ➤ Activities within the roading corridor will be managed through analysis of causative factors and overall crash data to ensure the road environment is not a contributing cause to crashes, measured as the percentage of crashes where road environment is not a contributing factor. 	There have been no reported crashes where Police have identified the road environment as a contributing factor.																										
<ul style="list-style-type: none"> ➤ Safe, convenient and attractive footpaths and cycleways will be provided as appropriate, as measured by satisfaction and usage statistics from the Resident Opinion Survey. 	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">% satisfied footpaths</th> </tr> <tr> <th style="width: 60%;"></th> <th style="text-align: center;"><u>2007/08</u></th> <th style="text-align: center;"><u>2006/07</u></th> </tr> </thead> <tbody> <tr> <td>Alexandra</td> <td style="text-align: center;">70</td> <td style="text-align: center;">77</td> </tr> <tr> <td>Cromwell</td> <td style="text-align: center;">77</td> <td style="text-align: center;">82</td> </tr> <tr> <td>Earnsclough/Manuherikia</td> <td style="text-align: center;">82</td> <td style="text-align: center;">80</td> </tr> <tr> <td>Maniototo</td> <td style="text-align: center;">70</td> <td style="text-align: center;">56</td> </tr> <tr> <td>Roxburgh</td> <td style="text-align: center;">69</td> <td style="text-align: center;">61</td> </tr> <tr> <td>District</td> <td style="text-align: center;">74</td> <td style="text-align: center;">76</td> </tr> </tbody> </table>			% satisfied footpaths				<u>2007/08</u>	<u>2006/07</u>	Alexandra	70	77	Cromwell	77	82	Earnsclough/Manuherikia	82	80	Maniototo	70	56	Roxburgh	69	61	District	74	76
% satisfied footpaths																											
	<u>2007/08</u>	<u>2006/07</u>																									
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	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">% satisfied cycleways</th> </tr> <tr> <th style="width: 60%;"></th> <th style="text-align: center;"><u>2007/08</u></th> <th style="text-align: center;"><u>2006/07</u></th> </tr> </thead> <tbody> <tr> <td>Alexandra</td> <td style="text-align: center;">65</td> <td style="text-align: center;">83</td> </tr> <tr> <td>Cromwell</td> <td style="text-align: center;">68</td> <td style="text-align: center;">75</td> </tr> <tr> <td>Earnsclough/Manuherikia</td> <td style="text-align: center;">65</td> <td style="text-align: center;">75</td> </tr> <tr> <td>Maniototo</td> <td style="text-align: center;">85</td> <td style="text-align: center;">77</td> </tr> <tr> <td>Roxburgh</td> <td style="text-align: center;">65</td> <td style="text-align: center;">69</td> </tr> <tr> <td>District</td> <td style="text-align: center;">70</td> <td style="text-align: center;">77</td> </tr> </tbody> </table>			% satisfied cycleways				<u>2007/08</u>	<u>2006/07</u>	Alexandra	65	83	Cromwell	68	75	Earnsclough/Manuherikia	65	75	Maniototo	85	77	Roxburgh	65	69	District	70	77
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District	70	77																									

UTILITY SERVICES

DISTRICT ROADING

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
2,863	Rates	2,981	2,981
Other Income			
3,700	Government Grants and Subsidies	3,333	2,874
125	Fuel Taxes	130	125
-	Donations	5	20
239	Developers Contributions	418	393
225	User Fees and Other Income	96	343
36	Profit on Sale of Assets	32	-
707	Vested Assets	1,486	-
7,895	TOTAL REVENUE	8,481	6,736
EXPENDITURE			
2,560	Pavement Maintenance	3,029	2,155
754	Bridge maintenance	749	678
447	Safety/Traffic Services	521	569
57	Pedestrian Services	63	61
180	Roading Policy	148	176
2,964	Roading Depreciation	3,237	3,159
6,962	TOTAL EXPENSE	7,747	6,798
933	NET SURPLUS (DEFICIT)	734	(62)
4,887	CAPITAL EXPENDITURE	3,303	3,161

Note: Vested assets are not included within the capital expenditure in this Statement

UTILITY SERVICES

FOOTPATHS, CARPARKS AND STREET CLEANING

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
	REVENUE		
667	Rates	658	654
	Other Income		
6	Carpark Revenue	12	6
12	Interest	22	6
27	Other Capital Contributions	-	-
307	Vested Assets	261	-
1,019	TOTAL REVENUE	953	666
	EXPENDITURE		
196	Alexandra	205	204
394	Cromwell	236	239
42	Earnsclough/Manuherikia	45	45
30	Maniototo	39	37
28	Roxburgh	31	26
690	TOTAL EXPENSE	556	551
329	NET SURPLUS (DEFICIT)	397	115
331	CAPITAL EXPENDITURE	455	897

Note: Vested assets are not included within the capital expenditure in this Statement

UTILITY SERVICES

PUBLIC TOILETS

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
143	Rates	150	150
Other Income			
-	Other income	1	1
<u>143</u>	TOTAL REVENUE	<u>151</u>	<u>151</u>
EXPENDITURE			
174	Operating	116	138
14	Administration	8	12
<u>188</u>	TOTAL EXPENSE	<u>124</u>	<u>150</u>
<u>(45)</u>	NET SURPLUS (DEFICIT)	<u>27</u>	<u>1</u>
<u>-</u>	CAPITAL EXPENDITURE	<u>-</u>	<u>160</u>

UTILITY SERVICES

STORMWATER

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
345	Rates	376	375
Other Income			
1	Interest	8	8
1	User fees and other	-	-
229	Vested Assets	275	-
576	TOTAL REVENUE	659	383
EXPENDITURE			
148	Alexandra	133	137
181	Cromwell	155	167
10	Earnscliffe/Manuherikia	5	11
48	Maniototo	39	50
35	Roxburgh	26	46
422	TOTAL EXPENSE	358	411
154	NET SURPLUS (DEFICIT)	301	(28)
-	CAPITAL EXPENDITURE	193	-

Note: Vested assets are not included within the capital expenditure in this Statement

UTILITY SERVICES

WATER

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
1,849	Rates	1,968	1,944
Other Income			
5	Connection Fees	3	12
206	Metered water sales	208	115
269	Developers Contributions	231	375
20	Govt Grants and Subsidies	18	19
40	Interest	90	26
49	Other Income	(7)	-
269	Vested Assets	228	480
<u>2,707</u>	TOTAL REVENUE	<u>2,739</u>	<u>2,971</u>
EXPENDITURE			
705	Alexandra	771	628
683	Cromwell	675	637
162	Clyde	169	151
93	Omakau	108	99
90	Patearoa	98	134
244	Ranfurly	259	278
140	Naseby	137	140
194	Roxburgh	210	217
<u>2,311</u>	TOTAL EXPENSE	<u>2,427</u>	<u>2,284</u>
<u>396</u>	NET SURPLUS (DEFICIT)	<u>312</u>	<u>687</u>
<u>834</u>	CAPITAL EXPENDITURE	<u>1,662</u>	<u>2,183</u>

Note: Vested assets are not included within the capital expenditure in this Statement

UTILITY SERVICES

WASTEWATER

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
1,436	Rates	1,751	1,734
Other Income			
5	Connection Fees	2	8
4	Trade Waste Charges	1	25
311	Developers Contributions	431	266
117	Interest	147	54
19	Other Income	32	-
373	Vested Assets	448	350
2,265	TOTAL REVENUE	2,812	2,437
EXPENDITURE			
801	Alexandra	983	856
1	Clyde	2	4
580	Cromwell	667	678
43	Omakau	44	44
50	Naseby	55	57
126	Ranfurly	130	135
162	Roxburgh	160	170
1,763	TOTAL EXPENSE	2,041	1,944
502	NET SURPLUS (DEFICIT)	771	493
612	CAPITAL EXPENDITURE	944	1,730

Note: Vested assets are not included within the capital expenditure in this Statement

UTILITY SERVICES

WASTE MANAGEMENT

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
1,453	Rates	1,618	1,618
Other Income			
7	Refuse Collection	9	6
386	Refuse Disposal	425	403
<u>1,846</u>	TOTAL REVENUE	<u>2,052</u>	<u>2,027</u>
EXPENDITURE			
86	Refuse Policy	104	100
972	Refuse Collection	1,016	941
48	Litter Bins	52	51
889	Refuse Disposal	988	940
<u>1,995</u>	TOTAL EXPENSE	<u>2,160</u>	<u>2,032</u>
<u>(149)</u>	NET SURPLUS (DEFICIT)	<u>(108)</u>	<u>(5)</u>
<u>34</u>	CAPITAL EXPENDITURE	<u>20</u>	<u>6</u>

UTILITY SERVICES

UTILITIES MANAGEMENT

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
163	Rates	208	208
Other Income			
54	Other Income	28	70
2	Profit on Sale of Assets	-	0
<u>219</u>	TOTAL REVENUE	<u>236</u>	<u>278</u>
EXPENDITURE			
313	Expenditure	307	278
<u>313</u>	TOTAL EXPENSE	<u>307</u>	<u>278</u>
<u>(94)</u>	NET SURPLUS (DEFICIT)	<u>(71)</u>	<u>0</u>
<u>34</u>	CAPITAL EXPENDITURE	<u>9</u>	<u>50</u>

Environmental Services

This group of activities consists of regulatory services, i.e. things Council must do by law. They contribute strongly to Council's three community outcomes:

- thriving economy
- sustainable environment
- safe and healthy community

because the activities are:

- dog control and registration
- liquor licensing
- environmental health
(such as checking restaurants, hairdressers etc.)
- building control
- planning

PERFORMANCE MEASURES	ACHIEVEMENTS				
➤ Resource and Building Consent processing times will be reduced through improvement of processes.	Resource consent processing times				
	Application Type	Total number of applications	Number processed within time	% 2007/08	% 2006/07
	Non-notified – 20 working days	346	262	76	85
	Non-notified with hearing 40 working days	32	12	38	68
	Notified (no hearing) – 50 working days	3	1	33	50
	Notified with hearing – 70 working days	61	44	72	76
➤ Resource and Building Consent processing times will be reduced through improvement of processes.	Building consent processing				
			2007/08	2006/07	
	Number of Consents received	945		900	
	Required processing timeframe for issuing consents (working days)	20		20	
	Number processed within required time	823		849	
	Processed within required time %	87.09		94.33	
Average processing time in working days	11		11		

A number of major projects (wind farm, Motorsport Park and Private Plan Change) stretched resources during the latter part of 2007. Systems thinking work (improvement of processes) did not commence until early 2008 so the benefits will not be evident until 2008/09.

PERFORMANCE MEASURES ctd	ACHIEVEMENTS ctd		
<ul style="list-style-type: none"> ➤ Improved satisfaction with public safety in relation to dogs will be achieved by an improvement in dog enforcement, evidenced by results obtained through the Resident Opinion Survey. ➤ Reported issues relating to unsatisfactory or unsafe building practices requiring referral to a higher authority for resolution are maintained or reduced. ➤ Negative feedback received in relation to District Plan and resource consent processes is reduced when compared with previous years. 	% satisfied dog control		
		<u>2007/08</u>	<u>2006/07</u>
	Alexandra	67	66
	Cromwell	61	57
	Earnscliffe/Manuherikia	65	53
	Maniototo	67	47
Roxburgh	85	78	
District	66	61	
<p data-bbox="815 667 1278 701">One claim resolved through mediation.</p> <p data-bbox="815 887 1326 987">Currently working on systems thinking approach to processing. Feedback is very positive.</p>			

ENVIRONMENTAL SERVICES

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
423	Rates	485	485
Other Income			
1,768	User Fees and Charges	1,921	1,482
4	Interest	5	4
137	Other Income	139	38
2,332	TOTAL REVENUE	2,550	2,009
EXPENDITURE			
11	Abandoned Land	12	12
3	Clutha Resource Consents	-	-
110	Dog Control and Impounding	123	117
901	Environmental Health and Building	1,119	927
49	Liquor Licencing	49	66
1,119	Resource Management	1,517	994
2,193	TOTAL EXPENSE	2,820	2,116
139	NET SURPLUS (DEFICIT)	(270)	(107)
38	CAPITAL EXPENDITURE	74	76

Governance and Administration Services

This group consists of the functions that enable the service departments to perform their duties.

It includes the administration buildings in which staff are housed, plus support services such as word processing, computing and customer services, as well as finance, rates, the Chief Executive Officer etc.

Another important component of this group is the cost of running the political processes of the Council, its Committees and the Community Boards.

PERFORMANCE MEASURES	ACHIEVEMENTS		
<p>➤ Satisfaction with Council and Community Board decision making is “at or better” than indicated in previous Resident Opinion Surveys.</p> <p>➤ Satisfaction with the levels and content of communications from Council and Community Boards, is “at or better” than indicated in previous Resident Opinion Surveys.</p>	% satisfied with council		
		<u>2007/08</u>	<u>2006/07</u>
	Alexandra	78	80
	Cromwell	89	94
	Earnsclough/Manuherikia	81	84
	Maniototo	94	96
	Roxburgh	84	83
	District	84	86
	% satisfied with community boards		
		<u>2007/08</u>	<u>2006/07</u>
	Alexandra	80	78
	Cromwell	87	94
	Earnsclough/Manuherikia	84	90
	Maniototo	94	93
	Roxburgh	81	81
	District	84	86
	% satisfied with clarity of consultation		
		<u>2007/08</u>	<u>2006/07</u>
	Alexandra	70	77
	Cromwell	73	87
Earnsclough/Manuherikia	74	75	
Maniototo	75	81	
Roxburgh	74	81	
District	73	80	
% satisfied with effectiveness of consultation			
	<u>2007/08</u>	<u>2006/07</u>	
Alexandra	68	77	
Cromwell	74	87	
Earnsclough/Manuherikia	71	73	
Maniototo	78	85	
Roxburgh	74	76	
District	72	80	

PERFORMANCE MEASURES ctd	ACHIEVEMENTS ctd		
➤ Council Service Centres provide prompt, courteous and competent service at levels “at or better” than levels indicated in previous Resident Opinion Surveys.	% satisfied customer service		
		<u>2007/08</u>	<u>2006/07</u>
	Alexandra	89	90
	Cromwell	88	89
	Earnscliffe/Manuherikia	87	90
	Maniototo	94	98
	Roxburgh	96	100
	District	90	92
	% satisfied admin issues dealt with effectively		
		<u>2007/08</u>	<u>2006/07</u>
	Alexandra	78	85
	Cromwell	80	86
Earnscliffe/Manuherikia	78	85	
Maniototo	87	91	
Roxburgh	88	91	
District	80	87	
NOTE: Alexandra and Earnscliffe/Manuherikia figures are the same as they use the same service centre			

GOVERNANCE AND ADMINISTRATION

DEMOCRACY

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
749	Rates	765	766
Other Income			
-	User Fees and Other Income	82	20
7	Interest	8	5
<u>756</u>	TOTAL REVENUE	<u>855</u>	<u>791</u>
EXPENDITURE			
365	District Council	426	412
24	District Elections	135	85
148	Vincent	145	143
101	Cromwell	102	103
58	Maniototo	60	57
53	Roxburgh	54	54
<u>749</u>	TOTAL EXPENSE	<u>922</u>	<u>854</u>
<u>7</u>	NET SURPLUS (DEFICIT)	<u>(67)</u>	<u>(63)</u>
<u>-</u>	CAPITAL EXPENDITURE	<u>2</u>	<u>36</u>

GOVERNANCE AND ADMINISTRATION

OVERHEADS

COST OF SERVICES STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/07 \$ 000's		Actual 2007/08 \$ 000's	Estimate 2007/08 \$ 000's
REVENUE			
Other Income			
39	Rates Enquiries	26	26
(39)	Other Income	(25)	(26)
-	TOTAL REVENUE	1	-
EXPENDITURE			
385	Administration Alexandra	306	304
230	Chief Executive Officer	279	285
800	Corporate Services Manager	872	754
144	Information Technology	133	217
189	Service Centres	185	197
1,748	TOTAL EXPENSE	1,775	1,757
(1,747)	Overheads Allocated	(1,784)	(1,742)
(1)	NET SURPLUS (DEFICIT)	8	(15)
317	CAPITAL EXPENDITURE	466	460

VARIANCE REPORT
(Differences between actual and estimated results)

STATEMENT OF FINANCIAL PERFORMANCE

(Excludes internal transactions)	Actual 2007/08 \$000's	Estimate 2007/08 \$ 000's	Variance 2007/08 \$000's	
REVENUE				
Rates	15,798	15,655	143	F
Government grants and subsidies	3,401	2,921	480	F
Interest and dividends	1,179	564	615	F
Regulatory fees	1,405	1,185	220	F
User fees and other income	3,867	3,128	739	F
Contributions for capital purposes	3,376	3,340	36	F
Profit on Sale of Assets	3,460	-	3,460	F
Vested Assets	2,746	830	1,916	F
Valuation gains	46	-	46	F
TOTAL OPERATING REVENUE	35,278	27,623	7,655	F
Less EXPENSES				
Community Services				
Cemeteries	72	81	9	F
Community Buildings	559	590	31	F
Clutha Management	83	75	(8)	U
Elderly Persons Housing	381	363	(18)	U
Emergency management	313	244	(69)	U
Grants	496	364	(132)	U
Libraries	830	836	6	F
Parks and reserves	1,670	1,470	(200)	U
Swim Centres	1,419	1,274	(145)	U
District Development				
Airports	83	50	(33)	U
Commercial and other property	854	426	(428)	U
Community	509	497	(12)	U
Economic development	154	173	19	F
Tourism - promotion groups	149	185	36	F
Tourism Central Otago	217	231	14	F
Tourism - visitor information centres	796	633	(163)	U
Utility Services				
District roading	7,747	6,798	(949)	U
Footpaths, carparks and street cleaning	508	505	(3)	U
Public toilets	124	150	26	F
Stormwater	307	364	57	F
Water	2,306	2,167	(139)	U
Wastewater	2,014	1,917	(97)	U
Waste management	2,140	2,019	(121)	U
Utilities management	307	278	(29)	U
Environmental services	2,820	2,116	(704)	U
Governance and administration				
Democracy	922	854	(68)	U
Overheads and other	30	16	(14)	U
Total Expenditure	27,810	24,676	(3,134)	
NET SURPLUS (DEFICIT)	7,468	2,947	4,521	F

Note: "F" = favourable, "U" = unfavourable

EXPLANATION OF VARIANCES - REVENUE

Government grants and subsidies. Additional roading expenditure attracted \$458k extra Land Transport New Zealand subsidy.

Interest and dividends. The increase in interest earned is a result of a higher level of funds on deposit than was estimated, and also a higher actual average interest rate than was budgeted.

Regulatory fees:

The major components of the favourable variance are: (000's)

Income greater than estimated	
Building consent fees	165
Land use consents	26
Registration fees	18
Subdivision consents	7
Other	4
	<u>220</u>

User fees and Other Income:

The major components of the favourable variance are: (000's)

Income not estimated	
Timber sales (Naseby forest)	41
Income greater than estimated	
Recoverable professional fees	318
Commission	22
Property rental and other income	116
Election costs recovered	62
Camping ground fees	94
Metered water sales and connections	75
Recreation facilities	39
Other	(28)
	<u>739</u>

Profit on Sale of Assets: The major contribution to this surplus over book value was the sale of land in Cromwell.

Vested Assets: This is the value of assets vested in Council by subdividers in the form of reserves, footpaths, stormwater, roading, water supply and wastewater, and is recorded as income in the Council's records.

EXPLANATION OF VARIANCES - EXPENSES

Grants

Grants made by Council and Community Boards to community groups and projects exceed the estimated amounts for the year, with the major items being (\$000's); contribution to Healthy Homes project \$60k, Central Stories \$35k, and Cromwell Race Course \$113k. Grants budgeted for Clyde Caretaker (\$20k) and Ice In Line (\$60k) were not paid.

Parks and Reserves

The major components of the unfavourable variance are: (000's)

Depreciation	(16)
Electricity	(15)
Works contract	(78)
Remuneration	(38)
Repairs and maintenance	(18)
Consultants	(18)
Security	(12)
Rental	(4)

Other	(1)
	<u>(200)</u>

Swim Centres

The major components of the unfavourable variance are: (000's)

Maintenance	(20)
Electricity	(24)
Staff remuneration	(94)
Other	(7)
	<u>(145)</u>

Commercial and other property

The major components of the unfavourable variance are: (000's)

Naseby forest clean up costs	(223)
National Bank old stone building repairs	(40)
Centennial Milkbar repairs	(50)
Cromwell property legal/surveyors fees	(40)
Other	(75)
	<u>(428)</u>

Tourism - visitor information centres

The major components of the unfavourable variance are: (000's)

VIN review and implementation	(42)
Staff remuneration	(55)
Retail product purchases	(72)
Other	6
	<u>(163)</u>

District Roading

The major components of the unfavourable variance are: (000's)

Depreciation	(199)
Pavement maintenance	(301)
Amenity/safety maintenance	(298)
System review costs	(258)
Bridge maintenance	50
Road safety projects	43
Other	14
	<u>(949)</u>

Water

The major components of the unfavourable variance are: (000's)

Depreciation	(12)
Electricity	(71)
Contracts	(34)
Other	(22)
	<u>(139)</u>

Waste management

The major components of the unfavourable variance are: (000's)

Landfill charges	(59)
Transfer station costs	(56)
Contracts	(12)
Other	6
	<u>(121)</u>

Environmental Services

The major components of the unfavourable variance are: (000's)

Recoverable fees	(194)
District Plan costs	(14)
System review costs	(100)

Contracts	(111)
Meridian hearing costs (direct)	(153)
Environment Court appeal costs	(40)
Staff remuneration	(40)
Members meeting remuneration	(33)
Photocopying and advertising	(35)
Other	16
	<u>(704)</u>

STATEMENT OF CHANGES IN EQUITY

1. Council does not include the estimated increase or decrease arising from the revaluation of Council assets in preparing its estimates.
2. The upward revaluation of infrastructure assets was a result of increased construction and material costs.
3. The stormwater infrastructure assets declined in value as mud tanks were included in both the roading and stormwater utilities' values at the previous valuation. Mud tanks have been removed from stormwater valuation and are solely included in the roading valuation this year.

STATEMENT OF FINANCIAL POSITION

1. Cash and Cash Equivalents are higher than estimate due to the net cash outflow from investing activities being lower than estimated, partially offset by the net cash inflow from operating activities being lower than estimated. The significant variances can be seen in the Statement of Cash Flows.
2. Current Available for Sale Financial Assets are higher than estimate principally due to Inventories being \$2,000k lower than estimated.
3. Property, Plant and Equipment is higher than estimate principally due to the opening carrying value of Property, Plant and Equipment being \$37,000k higher than estimated. Council also does not include the estimated increase or decrease arising from the revaluation of Council assets in preparing its estimates.

Consultation with Maori

The 2006 census identified the Maori population of the Central Otago District as being 7.2 percent of the District total. In addition there are 13 Runanga in Otago that have indicated they have an interest in Central Otago District.

Council recognises its obligations under the Local Government Act 2002 (Part 6 Section 81) to establish and maintain processes to provide opportunities for Maori contribute to its decision-making processes and make information available to them.

Council is currently considering ways in which to foster the development of Maori capacity to contribute to decision making processes and is seeking to consult with and involve Maori in the process.

For consultation under the Resource Management Act, Council entered into a protocol with Kai Tahu Ki Otago in 1997, which remains extant. The Council consults with Kai Tahu Ki Otago on decision-making, notably if the decision is significant and relates to land or a body of water.

For other areas where consultation with Maori is appropriate, Council intends to contact the Runanga, who will in turn, if necessary, refer the issue to the iwi of Ngai Tahu. The consultation process is made more complex by the fact that there is no Runanga covering the Central Otago area.

The opportunity is also taken to use the local Maori network - Te Roopu Awhina Maori - to obtain the views of the District's Maori citizens.

